Ohio Rail Development Commission

1980 West Broad Street • Columbus, Ohio 43223
614-644-0306 (telephone) • 614-728-4520 (fax) www.dot.state.oh.us/ohiorail

July 8, 2010

Dear Commissioners:

Enclosed please find relevant information to the **Thursday, July 15, 2010** commission meeting. Minutes of the May 13, 2010 commission meeting are enclosed for your review.

This meeting will be held at the **Ohio Department of Transportation's Headquarters, 1980 West Broad Street, Columbus, Ohio, Room GA, Lower Level.** Standing Committees of the Commission will meet at 10:00 a.m. The Human Resources Committee Meeting will be held in Room 3A; the Contract and Property Advisory Committee Meeting will be held in Room 3B; and the Long-Term Strategy/Economic Development Committee Meeting will be held in Room 3C. The ORDC Commission meeting will begin promptly at 11:00 a.m.

If you haven't already done so, please contact Suzy Pettet to confirm your attendance. You may reach her at 614/728-9497 (telephone) or by e-mail at suzanne.pettet@dot.state.oh.us

We look forward to seeing you.

Sincerely,

James G. Bradley
Chairman

Enclosures

THE OHIO RAIL DEVELOPMENT COMMISSION

MEETING AGENDA

Thursday, July 15, 2010, 11:00 a.m.

Ohio Department of Transportation Headquarters

1980 West Broad Street, Room GA, Lower Level, Columbus, Ohio

CALL TO ORDER: James G. Bradley, Chairman

- Welcome
- Roll Call
- Approval of Minutes from May Meeting

EXECUTIVE DIRECTOR REPORT: Matt Dietrich

FINANCE REPORT: Megan McClory

ITEMS FOR APPROVAL

- Resolution 10-07: American Rail Center Hardin Rail Logistics Center Lead Track Rehabilitation Project Loan
- Resolution 10-08: Maumee & Western Railroad Rehabilitation Project Grant

REPORTS OF COMMITTEES

- Panhandle Long Term Lease
- Contract & Property Advisory
- Human Resources
- Long-Term Strategy/Economic Development

OLD BUSINESS

NEW BUSINESS

PUBLIC COMMENT

ADJOURN

MINUTES OF THE OHIO RAIL DEVELOPMENT COMMISSION
REGULAR BI-MONTHLY MEETING
May 13, 2010

CALL TO ORDER

The meeting of the Ohio Rail Development Commission was called to order by Chairman James Bradley at 11:30 a.m. on Thursday, May 13, 2010.

MEMBERS PRESENT

Members present included: Chairman James Bradley, Commissioners Tom McOwen, Solomon Jackson, Rob Greenlese, Bill Lozier, Jolene Molitoris, Larry Sowers, Barbara Hammontree-Bennett, Senator Buehrer, Representative Hagan, Josh Williams for Senator Jason Wilson, and Jordan Plottner. Commissioner Murdock and Commissioner Wolfe were unable to attend. There were eight voting members present, therefore a quorum was obtained.

APPROVAL OF THE MINUTES OF THE MARCH MEETING

Chairman Bradley asked for a motion to approve the minutes of the March 11, 2010 meeting. Commissioner Sowers moved to approve the minutes and Commissioner Molitoris seconded the motion. Roll call was taken. The minutes were approved as presented with eight votes in the affirmative.

Chairman Bradley stated that this is the first meeting we have had since we instituted our reorganized committee approach. The three committee chairpersons spent an hour with their committees. This will help us get into issues a little more in depth than we have in the past. Chairman Bradley stressed that we are one commission, not three committees. The committee chairpersons will be able to bring to the commission any issues that were discussed or any recommendations that they have. The committee meetings are open to the public. He encouraged anyone that is interested to attend.

EXECUTIVE DIRECTOR'S REPORT

Director Dietrich presented the Executive Director's Report on page 11 of the meeting packet. One of the primary focuses of the commission is the CSX National Gateway TIGER Grant. The State of Ohio is the lead agency along with our partners in WV, PA, and MD. The grant was for $98 million. We have been working very closely with CSX on the deliverables. On April 30th, we sent a letter to the FRA identifying the funding for the segment. We need to send a Term Sheet to the USDOT by COB tomorrow. It outlines the scope schedule and budget for the project. PA is lead for the Environmental Document. Tim Hill has been very instrumental in this process. Before the grant is signed, we will be working on a MOA with the other states.

Director Dietrich said we are budgeting $1 million in FY 2011 for Rehabilitation projects. On March 29th, we sent out the program solicitation to all the railroads and the rail property owners and applications are due May 24th. We anticipate bringing projects to the commission in July and September.

Director Dietrich said on Jobs and Carloads Follow-up, one project has been referred to the Attorney General's office for collection and staff is finalizing recommendation with regard to another project.

Director Dietrich said on Passenger Rail, the Controlling Board approved the $25 million for the next phase of the 3C project. ORDC and ODOT are working with the FRA to secure the

necessary documentation to move forward.

Director Dietrich said we provided a letter of support to the Cincinnati Port Authority for their application to ODOT TRAC for their Cincinnati Fourth Main Rail Study.

Director Dietrich sat on a panel with Director Molitoris for the European-American Chamber of Commerce. He also moderated a panel discussion at the Mississippi Valley Freight Coalition. Stu Nicholson participated in Toledo's National Train Day and gave presentations for ODOT DBE workshops in Dayton and Toledo.

Representative Hagan asked for a clearer breakdown of the TIGER monies awarded. Director Dietrich said the actual application was for $258 million. $183 million has been was awarded: $65 million by OH and PA collectively, $20 million by CSX, and $98 million from the TIGER Grant.

Susan Kirkland gave a presentation on the Perrysburg Safety Project. Rusty Orben with CSX introduced Ben Biesterveld and Ken Gilsdorf. This is a consolidation project and has been a cooperative effort between the city, the railroad, and the ORDC. We negotiated three crossings to be closed and three additional crossings were equipped with constant warning time and flashing lights and gates. The light and gate installation was 100% funded by ORDC Funds. The project will be dedicated in a ceremony in Perrysburg on June 10th.

FINANCE REPORT

Megan McClory, ORDC's Secretary-Treasurer, presented the Finance Report to the Commissioners, which can be found on page 67 of the commission packet. Ms. McClory said we are moving right along on ARRA Stimulus projects. Construction has begun on the Toledo-Lucas County Port Authority Shipyard Spur Project. Ms. McClory thanked Commissioner Greenlese for attending the Preconstruction Meeting. Construction has also been authorized on the Wet Broad Street Bridge Rehabilitation and the Panhandle Rail Line Rehabilitation projects.

Ms. McClory said we are very pleased to announce that we have filled the Planner 3 position. We have selected and hired Tom Burns. He has worked with us for a couple of years, first as an Intern, and then as an Intermittent. He will begin on May 24th. We have also received approval for two interns, one in Safety and one in Fiscal and other projects.

Ms. McClory said ORDC has disbursed the Maumee & Western Hot Start Loan. The fiscal staff is in the process of getting other grants and loans under agreement and encumbered prior to the end of the fiscal year in June.

Ms. McClory said at our November meeting, the fifth modification was made to the long standing Columbiana County Port Authority loan. We have received no payment in April and Ms. McClory does not expect a payment in May. We are meeting with CCPA and TWL/ESRR next week to further discuss this situation.

Ms. McClory said that Gloria Howard has spent a significant amount of time and effort updating our inventory records in the aftermath of our relocation to the ODOT Building last summer.

Representative Hagan said he would like to keep the Columbiana County line open, but on the

other hand, he is not sure our tax dollars are being well spent. Ms. McClory is hopeful that their financial conditions will improve and they will continue to operate and stay in business and make their payments. Representative Hagan and Chairman Bradley requested a report of what occurs at the meeting. Ms. McClory said she will send out a report to all commissioners.

Commissioner Molitoris submitted for record a commendation for Beverly Lee's devotion for 32 years. She was very dedicated and committed to deliver on time and on budget quality work. Commissioner Molitoris hopes Beverly is enjoying her retirement. Commissioner Jackson stated that he is indebted to Beverly for her assistance when he started at ODOT Rail.

RESOLUTION 10-03 – RJ CORMAN CLEVELAND LINE REHABILITATION PHASE II PROJECT GRANT

Lou Jannazo presented the briefing found on page 74 of the commission packet. Mr. Jannazo said this is our last project for fiscal year 2010. We would like to use this project to sweep the account up to $187,910. We have helped this line with an earlier project, and this would be Phase II. The goal is to get the Cleveland line up to 25 miles an hour, where it used to be. RJ Corman has stepped up their investment in line. There are 600 jobs depending on this line. Dee Dee Bowman of RJ Corman was present to answer any questions. Commissioner Molitoris made a motion to approve the RJ Corman Cleveland Line Rehabilitation Phase II Project Grant. Commissioner Bennett seconded the motion.

Commissioner Molitoris said we need to be more deliberate and refined about our cost benefit analysis and review. There are a significant number of shippers and the 600 jobs; that is a very important marker. Commissioner Molitoris thinks it is an opportunity to begin to do a more deliberate job on cost benefit. She would like to offer the work of the Department and she would like to suggest a partnership. Representative Hagan asked for more description of the line such as mileage, traffic, and interchanges. Mr. Jannazo stated that the line is about 30 miles long and that Dover Chemical & Arizona Chemical provide most of the traffic – about 2,600 per year. The line interchanges with 4 railroads, but most traffic is to and from CSX. Roll call was taken with eight votes in the affirmative.

RESOLUTION 10-04 – APPROVAL TO ADMINISTER OKI CMAQ GRANT FOR THE PURCHASE BY CIND OF TWO REPOWERED LOCOMOTIVES

Lou Jannazo presented the briefing found on page 81 of the commission packet. Mr. Jannazo stated that we are not asking for money, we are just asking for permission to administer the grant. We sponsored an application for $2.6 million for 2 "gen set" locomotives. The CIND contribution is $656,132. The grant will be awarded anytime between now and 2015. Mr. Jannazo said the Staff is already administering 5 very similar projects.

Mr. Jannazo introduced Ryan Ratledge, the General Manager of CIND and the Indiana & Ohio. He was available to answer any questions. Chairman Bradley asked what is involved in administering the grant. Mr. Jannazo said we have a standard contract that we developed through DERG and we would enter into that agreement with CIND. We have to inspect to make sure the project is done. There is a five year requirement that the locomotives be used in a non-attainment area in Hamilton County. We will have an agreement with the railroad for how they are going to keep track of the two locomotives so when they report every year where the locomotives were, we are confident that the report is accurate. The locomotives have GPS systems and we will be able to get a print out of where they are any time we need to. Chairman

Bradley is concerned about the workload of the staff. Director Dietrich said we already have the process in place. Commissioner Greenlese made a motion for the approval to administer OKI CMAQ Grant for the purchase by CIND of two repowered locomotives. Commissioner Bennett seconded the motion.

Commissioner Jackson asked what advantage there was for ORDC to administer the grant and whether ORDC is charging a fee. Mr. Jannazo said that if ORDC didn't sponsor the grant, the project wouldn't have been awarded the money because a public agency sponsor is required. Mr. Jannazo said there is an administrative fee, but the amount has not yet been determined. Commissioner Jackson asked if this is a burden to OKI to administer. Mr. Jannazo said OKI is happy for us to administer the program. They do not run projects themselves.

Director Dietrich said we have administered similar projects before such as the Toledo Airline Yard; DERG Grants; and the doublestack for the NS Heartland Corridor. Commissioner Molitoris said the Department would be happy to partner with ORDC Staff to do the job smarter and faster and to assure that resources are there. Roll call was taken with eight votes in the affirmative.

RESOLUTION 10-05 – MARNE BRIDGE REPLACEMENT PROJECT GRANT

Commissioner Lozier recused himself from this portion of the meeting. Megan McClory presented the briefing found on page 86 of the commission packet. Ms. McClory said the staff is recommending a grant to the Licking County Engineer, up to $350,000, to replace the bridge along the state owned and controlled Panhandle Rail Line. In November, the Chairman and the Executive Director approved a grant to the Columbus and Ohio River Railroad. We were going to remove the bridge and construct an at-grade crossing. After conversations with the adjoining property owners and after further review of the situation, it was determined that we did not have the right parties in agreement and we did not have sufficient public or railroad right of way in the location to allow us to safely remove the bridge and remove enough earth, trees, and brush to provide the necessary sight clearances. The railroad and the adjoining property owner have an access agreement that ends in September. The adjoining property owner is not interested in renewing it.

Commissioner Jackson suggested taking a different look at the briefing to give the Licking County Engineer an option of flexibility in the request. Chairman Bradley suggested having everything teed up by the July meeting. Commissioner Bennett suggested changing some of the wording on Exhibit A. Exhibit A specifically says to replace bridge over the Panhandle Rail Line. The wording could be changed to say replace the bridge or provide other acceptable access over the Panhandle Rail Line.

Chairman Bradley asked for a motion to approve the resolution with Exhibit A modified as suggested. Ms. McClory read the revised Exhibit A. It now reads: "A grant to the Engineer pursuant to Section 4981.032 of the Ohio Revised Code in the amount up to Three Hundred Fifty Thousand Dollars ($350,000) (the "ORDC Grant") to replace Bridge 153.67 or provide other acceptable access over the Panhandle Rail Line and conduct related work in Licking County ("Rail Service Project")." Commissioner Bennett made a motion to approve Resolution10-05 as modified. Commissioner Jackson seconded the motion. Roll call was taken with seven votes in the affirmative and one recusal.

APPROVED PROJECT BRIEFING: MIDWEST REGIONAL RAIL INITIATIVE, PHASE VII

Commissioner Lozier returned to the meeting. Don Damron presented the briefing found on page 91 of the commission packet. The grant request is for $33,000. Mr. Damron said this continues Ohio's involvement in the Midwest Regional Rail Initiative, which is part of Phase VII and part of an FRA Planning Grant updating all capital costs plus some equipment review and analysis.

REPORTS OF COMMITTEES

PANHANDLE LONG-TERM LEASE COMMITTEE REPORT and CONTRACT & PROPERTY ADVISORY COMMITTEE REPORT

Commissioner McOwen said that the Panhandle Long-Term Lease Committee has not met but was discussed as part of the Contract & Property Advisory Committee. The committee is making progress on the Panhandle Lease. The next step needs to be a meeting of the Panhandle Committee as soon as possible. After that meeting, we will then meet with the railroad. The G & W has submitted to us their version of a long-term lease. We just received it so we have not had a chance to review it.

Commissioner McOwen said the potential sale of the Piney Fork was also discussed. The discussion included questions such as; should we sell; why should we sell; should we keep; why should we keep; etc. No decision was made.

Commissioner McOwen said the procedure for selecting station locations for the 3C, specifically in Cincinnati, was also discussed. He has concerns that the local folks in Cincinnati feel it is their sole right to determine where the station should be. We need to follow the procedure for the station location.

Human Resources – Chairman Jackson

Commissioner Jackson said that their meeting was more on the logistics of taking meeting minutes and what to do if they need advice of counsel at committee meetings. The committee is also taking another look at its mission statement and asking what HR is and how it fits into the needs of the agency. The committee is continuing its discussion about having a diverse workforce. Commissioner Jackson said the committee is also working on how we can incorporate the elements of outreach. Commissioner Jackson said he really appreciates Gloria Howard's efforts with the committee.

Economic Development and Strategic Planning Committee – Commissioner Bennett

Commissioner Bennett said the committee had two main topics to discuss. One was the State Rail Plan and the other was the Preliminary National Rail Plan. Commissioner Bennett said we have our final document of the State Rail Plan. The purpose of the document was to meet the minimum requirements set by the FRA. The document is a fact finding document and there was originally a very short time frame to get the plan finished. The first draft was available in late December. During January, February, and March meetings were held with the stakeholders and the Ohio Railroad Association. The stakeholders' input was added in April and attached as an appendix. Since April, a thorough review has been done. There was a large revision to Chapter 10. The next step would be to look at the visionary process. Another step would be the benefits calculator that would explain how projects are selected and what public and economic benefits

there are to the selection.

Chairman Bradley asked if the visionary document and the benefits calculator were requirements of the FRA. Commissioner Bennett said they are not. Chairman Bradley said we do want to pursue them.

Commissioner Molitoris said that the Resolution does not include wording such as Phase I; Visionary; etc. She suggested a cover letter be drafted and included with the Resolution. Commissioner Bennett said it was discussed in the committee meeting what needs to happen when and if this document gets approved. We would like to notify key legislators and key stakeholders with an executive summary to explain what the next steps are so that it is understood that we are still in the process of the visioning and drilling down to the stakeholder and public benefits. Senator Buehrer said that Ohioans want better data about the financial benefits and a complete disclosure of project costs. Commissioner Lozier said the cost benefit calculator will help us get that information. Director Dietrich said that the cost benefit analysis at the national level has huge formulas. We are trying to customize the ability to capture the costs and benefits. Commissioner Bennett said we are looking at the return on investment, both in passenger and freight, for large and small projects, and will include rough estimates of costs. Commissioner Lozier stated that Phase II should also include a Needs Assessment. Commissioner Bennett plans to meet with ODOT staff working on the Futures Plan to coordinate efforts. Commissioner Bennett made a motion to approve Resolution 10-06, Adoption of the State Rail Plan. Commissioner Molitoris seconded the motion. Roll call was taken with eight votes in the affirmative.

Commissioner Bennett acknowledged all the hard work and effort of the staff: Matt, Lou, Don, Leonard Evans with ODOT, and the consultant firm, Suzann Rhodes with Wilbur Smith & Associates.

Commissioner Bennett suggested a motion to authorize staff to assemble a scope of services for a consultant to assist with visioning, cost-benefit analysis, and a needs assessment. Commissioner Molitoris made a motion to approve. Commissioner Bennett seconded the motion. Roll call was taken with eight votes in the affirmative.

Commissioner Bennett said that the Preliminary National Rail Plan has been reviewed by staff. Commissioner Bennett recommends we give authority to staff to respond. Director Dietrich said he would take that statement as the Commission's direction.

Representative Hagan provided updated information regarding the Columbiana County Port Authority loan, stating that TWL voluntarily filed Chapter 11 on March 16, 2010. On February 1, 2010 Bank of America filed against TWL for a Breach of Contract. Representative Hagan feels we should start to think about what we want to do in the future. We may want to take the line ourselves. Alan Klodell said the bankruptcy was rescinded a couple of weeks later.

OLD BUSINESS
There was no old business to come before the Commission.

NEW BUSINESS
There was no new business to come before the Commission.

PUBLIC COMMENT
There was no public comment.

ADJOURNMENT
Chairman Bradley called the meeting of the Ohio Rail Development Commission adjourned at 1:03 p.m.

TO: ORDC Commissioners

FROM: Matthew Dietrich

SUBJECT: July 2010 Executive Director's Report

This document reflects the accomplishments and highlights of the Ohio Rail Development Commission since the May Commission Meeting.

1. CSX National Gateway TIGER Grant Update: There has been a great deal of activity to report on the National Gateway Project since the May meeting. After numerous discussions with the US DOT, the Federal Highway Administration-Eastern Federal Lands Division (FHWA-EFLD) has taken the lead project management role of the project. Tom Burns and I attended the kick-off meeting in Sterling, VA on June 24th. This is the same FHWA division that successfully managed the NS Heartland Corridor, the double stack clearance project that linked Rickenbacker intermodal yard to the Ports in Virginia. This decision was based on input from the states, federal transportation officials and CSX. Following the model established by the Heartland Corridor, ORDC staff believes this change in project lead provides a clear path forward for the development of the project, greatly streamlines the project development process for the states involved and provides a single point of contact for the railroads at the federal level. Following the Heartland Corridor model, the following activities are under way:
    a. Ohio, West Virginia, Virginia and Maryland will be signing a Memorandum of Agreement (MOA) with FHWA-EFLD which will delineate responsibilities for the completion of the project.
    b. The draft environmental documents have been submitted to FHWA for review with a goal of receiving environmental clearance from the FHWA in November.
    c. ORDC will be signing a revised Preliminary Terms and Conditions Sheet with FHWA as the lead agency.
    d. ORDC will remain the lead agency for the project and will be the signatory on the grant agreement for the $98 million award on behalf of the states in phase one of the project.

2. Preliminary National Rail Plan comments. As discussed at the May meeting, I submitted comments on the Preliminary National Rail Plan. ORDC comments are attached to this report. **(Attachment A)**

3. On June 28, 2010, the Federal Railroad Administration published a Final Rule for the implementation of section 202 of the Rail Safety Improvement Act of 2008 (RSIA), which requires highway-rail grade crossing action plans to be developed for the 10 states that ranked the highest in number of crashes at highway-rail grade crossings. The Final Rule requires that the 10 identified states, of which Ohio is included, create a highway-rail grade crossing action plan, covering a five year period into the future, by August 27, 2011. ORDC had previously submitted a comment to FRA containing discussion and suggestions for the rule, including reevaluating the methodology used to determine the 10 identified states (specifically to take into account number of crossings per state) and asking for an easing of section 130 money regulations. **(Attachment B)** FRA responded to these and many other comments by citing the RSIA and stating that, by law, none of the comments asking for a change in the Rule were able to be considered, as the Final Rule essentially matched the law the U.S. Congress enacted.

4. The ORDC / ODOT Preemption Project is progressing on target. The new ODOT Traffic Engineering Manual (TEM) Standard for traffic signal preemption at railroad grade crossings was finalized in March. Phase Two of the project, identification and analysis of preemption locations, is underway. Our initial evaluation process segmented those locations with crash history, and during the month of July, our contract consultant will visit the 15 interconnected sites below.

Road	County	Community
Fairwood Avenue	Franklin	City of Columbus
E. Sharon Road	Hamilton	City of Sharonville
Bobmeyer Road	Butler	City of Hamilton
Augspurger Road	Butler	Village of New Miami
Belmont Avenue	Clark	City of Springfield
Weber Road	Franklin	City of Columbus
Raff Road SW	Stark	City of Canton
Dueber Road SW	Stark	City of Canton
Main Street (SR 153-5.98)	Stark	City of Louisville
State Avenue	Sandusky	City of Fremont
N. Main St. (SR 60-1.43)	Huron	Village of New London
New Garden Street	Columbiana	City of Salem
Broad Blvd.	Summit	City of Cuyahoga Falls
W. Grace Street	Cuyahoga	City of Bedford
Eastland Road (CR 186)	Cuyahoga	City of Brook Park

5. International Shipping Containers: On June 9th, ORDC participated in an effort led by the Ohio Department of Transportation and including almost 50 interested parties representing railroads, agribusiness, manufacturers, logistics, ports and public agencies to discuss steps the state could take to promote international trade by improving supply chains for international container movements. A major discussion point has focused on agricultural products. While there has been no plan proposed by ODOT at this time, there was a great deal of discussion at the meeting regarding the development of a targeted overweight permit for containerized agricultural products for export. ORDC staff has continued to work with ODOT, railroads and other stakeholders regarding both the opportunities and challenges with the various proposals at both the state and national level.

6. Ohio Rail Plan: As directed at the May meeting, Commissioner Bennett's subcommittee and staff have been working on the next phase of the state rail plan which will include benefit/cost methodology for ORDC's traditional freight rail projects as well as methodology for larger scale rail projects such as intermodal development. Staff hopes to have the consultant scope finalized shortly with the fall retreat focusing Commission input. Additionally, we are coordinating this effort with ODOT's Futures Plan team to ensure consistency. Please note that ORDC is represented on the Interagency Working Group for the Futures Plan so that this coordination is multifaceted.

7. Federal Funding Opportunities: On June 1, the Notice of Funding Availability was issued for the U.S. Department of Transportation's National Infrastructure Investments under the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act for 2010. This is a $600 million multi-modal program. On June 23rd, ORDC notified all of the railroads in Ohio of the program. ORDC has received two inquiries about rail potential projects but as of this report, no railroad has submitted any materials for ORDC's consideration. A summary of the program is

attached. **(ATTACHMENT C)**

8. 3C Project: Staff time has been primarily focused on working with the FRA to secure the necessary approvals to release the funding to advance the next environmental and planning work for the project. You may recall that in April, ODOT secured General Assembly Controlling Board approval of the consultant selections of Parsons Brinckerhoff and CH2MHill for this next round of work, as well as appropriation authority of up to $25 million for the costs associated with this work.

9. Ohio Hub PEIS: I am happy to report that the Programmatic Environment Impact Statement work for the Ohio Hub has begun. On June 15th, ODOT held its kick-off meeting with AECOM, the consultant selected to perform the PEIS work. Early work will consist of data collection with public meetings later this year and into next year. This study will result in the route determinations for 110-mph service as envisioned in the Ohio Hub Study. The corridors being examined are Detroit-Toledo-Cleveland, Cleveland - Pittsburgh, Toledo-Columbus and Cincinnati-Columbus-Cleveland.

10. Multi-state Passenger Efforts: While Ohio did not directly submit an application for funding in the most recent round of passenger rail funding, Ohio continues to support the efforts of the Midwest Regional Rail Initiative to secure PEIS funding from the FRA for the Chicago-based hub system with routes into Cleveland and Cincinnati.

11. Multi-Agency Coordination: In addition to our on-going work with ODOT on passenger rail development and PUCO on grade crossing safety issues, ORDC staff continues to coordinate our activities with other state agencies. Most notably, ORDC staff continues to participate in the Logistics and Distribution Program with ODOD. In addition, Lou Jannazo is part of the Ohio Department of Development's Job Ready Site Program review team.

12. Outreach: As discussed at the spring commission retreat, ORDC press releases have included local and company input (either railroad or business depending on the grant recipient and nature of the project). This change has been well received by our customers and has resulted in a much broader audience hearing about our projects. For example, the joint news release with Norfolk Southern and Ohio Kentucky Indiana Council of Governments (OKI) on "Heartland Corridor Extension" release received wide media coverage including the Wall Street Journal, Cincinnati and Dayton business papers, a newspaper in Norfolk, Virginia and several on-line media outlets (Railway Age, Progressive Railroading, Railpace). Another example of this coordination was the Perrysburg Grade Crossing Consolidation Dedication which included Perrysburg, ORDC and CSX officials. (Thanks to Commissioner Greenlese for his participation). A copy of the news article generated from this project is attached. **(ATTACHMENT D)**

13. Chairman Bradley and I provided a presentation on the 3C project to the Ohio Steel Council.

Attachment A

Ohio Rail Development Commission

1980 West Broad Street • Columbus, Ohio 43223
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May 21, 2010

U. S. Department of Transportation
1200 New Jersey Ave. SE
Docket Operations
MS-30
Room W12-140
Washington, DC 20590

Re: Federal Railroad Administration
Docket Number: FRA-2010-0020

To Whom It May Concern:

Thank you for the efforts to date by the United States Department of Transportation and the Federal Railroad Administration to develop the Preliminary National Rail Plan. One of the stated goals of the document is "to create a springboard for further discussion." To help you achieve that goal, I offer you the following comments from the Ohio Rail Development Commission (ORDC).

As background, the ORDC was formed in 1994 by combining all of Ohio's non-regulatory rail programs under one agency. By statute, ORDC is an independent commission within the Department of Transportation created to "develop, promote, and support safe, adequate, and efficient rail service throughout the state." To meet this task, ORDC uses grants and its revolving loan program to:

- perform a vital economic development function by assisting businesses locating or expanding in Ohio with rail spurs and other rail infrastructure;
- help rehabilitate light density branch lines on small but critically important short-line and regional railroads that move Ohio's economy;
- assist in the acquisition and continued operation of branch lines;
- address special rail problems such as mainline congestion and assisting businesses with rail-related issues to maintain Ohio's status as one of the nation's major transportation hubs;
- assist with the promotion of the rail-related tourism industry; and
- maintain Ohio's readiness to move toward intercity passenger rail service at both conventional and high speeds through a variety of planning initiatives.

In addition to these development activities, ORDC uses Federal Highway Administration funds allocated by the Ohio Department of Transportation to fund at-grade highway-rail crossing safety improvements throughout the state. As an agency, ORDC is a hybrid of sorts. We deal with

transportation infrastructure but that infrastructure is normally privately-owned and the projects that we work on are usually driven by business development decisions in the state.

In accomplishing our mission, the ORDC has the privilege of being involved in major railroad projects: Ohio partnered with Norfolk Southern and the states of West Virginia and Virginia on the Norfolk Southern Heartland Corridor; we are the lead state for the recent CSX National Gateway TIGER award, we are the recipient of an ARRA Passenger Rail grant for the re-establishment of rail service in Ohio's 3C corridor and Ohio utilized the flexibility provided under ARRA to fund over $75 million of rail-related multimodal projects.

Combined with ORDC's long established freight assistance and safety programs, ORDC believes our experiences provide us a unique perspective to comment on the Preliminary National Rail Plan. As such, the ORDC would like to offer the following:

First and foremost, the National Rail Plan (NRP) must advance rail safety. Second, it needs to address the mobility of the travelling public through the prudent use of rail passenger services (intercity, commuter, & transit) and projected goods movement needs through the capacity of our freight system. Third, the NRP must fully reflect that transportation is not an end in itself, but rather a means to an end. The national funding of rail transportation, and all other transportation modes, must have a component that evaluates how rail transportation can be used to stimulate the growth of industries and facilitate the business and commerce of the nation. And fourth, the programs developed through the NRP process must provide very clearly defined measures and procedures for delivery of projects.

ORDC recommends that the NRP:

- Standardize National Environmental Protection Act policies among the modal agencies. Since each agency under the US DOT is currently required to have its own approvals through the Council on Environmental Quality, there are inconsistent or incompatible procedures for environmental approval which add uncertainty for the development of projects through the planning stages.
- Develop a comprehensive approach to the measurement of the economic impacts of freight projects that provides a link between job creation and the actual cost savings that accrue to businesses due to rail freight projects.
- Provide more guidance for quantifying public benefits. As the ORDC has learned from our own state rail plan experience, while the TIGER grant program provided a good starting point for large infrastructure projects, a one size fits all approach will not be adequate to capture the public benefits of smaller locally or regionally significant projects.
- Promote flexibility in existing funding sources across modes so that we can make system decisions – not decisions based on which element of the project happens to be eligible for a particular funding source. There is no better example of this need then the intermodal rail projects or other Class 1 rail projects with significant public benefits for economic development, truck diversion or overall transportation capacity improvements.

- Examine how rebuilding former railroad rights of way that are now trails or vacant land or initiating new freight lines could foster economic development through more effective rail freight options or through use as passenger rail corridors.
- Maintain the priority of railroad-highway grade crossing safety programs. While flexibility in funding is very important, there needs to be special consideration of railroad – highway grade crossing safety funding either through reservation of funds for this purpose, or by making the use of the funds more attractive by waiving any state matching requirements.
- Emphasize the importance of a critical but often overlooked segment of the rail industry, the Shortline and regional railroads. These railroads have significant public benefits to local economies and benefit shippers with cost effective transportation options.
- Recommend an on-going source of funding for passenger rail. We as a country are going to have to essentially rebuild what our country has lost over the last half a century which will require long term investment.
- Liability reform/consistency for passenger rail projects on freight rail lines.
- Encourage federal transportation programs that address the lack of expertise in passenger rail manufacturing industries and support programs designed to promote this growth.

Thank you again for the opportunity to comment. The ORDC stands ready to assist the FRA in any way it can.

Sincerely,

Matthew R. Dietrich
Executive Director

Attachment B

Before the
DEPARTMENT OF TRANSPORTATION
Federal Railroad Administration

Proposed Rule for requiring the ten States with the most highway-rail grade crossing collisions, on average over the past three years, to develop State highway-rail grade crossing action plans	)	Docket No. FRA-2009-0032 RIN 2130-AC20

COMMENTS OF THE OHIO RAIL DEVELOPMENT COMMISSION

BACKGROUND

On September 2, 2009, the Federal Railroad Administration ("FRA") published a direct final rule in the Federal Register requiring the ten States with the most highway-rail grade crossing collisions, on average, over the past three years, to develop State highway-rail grade crossing action plans. FRA received one adverse comment regarding the direct final rule. Under FRA regulations, FRA must withdraw a direct final rule where an adverse comment is submitted. As a result, in separate document elsewhere in this issue of the Federal Register, FRA is publishing a removal of the direct final rule provisions, which removes the changes effected by the direct final rule. FRA is also contemporaneously publishing this notice of proposed rulemaking (NPRM). The NPRM complies with a statutory mandate that the Secretary of Transportation issue a rule to require the ten States with the most highway-rail grade crossing collisions, on average, over the past three years, to develop State highway-rail grade crossing action plans. This proposed rule is not intended for general application; instead, it would only apply to the ten identified States with the most highway-rail grade crossing collisions over the specified period of time. The proposed rule addresses the contents of the highway-rail grade crossing action plans and certain time periods for the plan implementation and coverage.[1]

[1] State Highway-Rail Grade Crossing Action Plans, Notice of Proposed Rulemaking, 74 Fed. Reg. 58589-58560 (Nov. 13, 2009) (to be codified at 49 C.F.R § 234). Electronic.

INTRODUCTION

The Ohio Rail Development Commission ("ORDC") is an independent commission within the Ohio Department of Transportation charged with the development, promotion, and support of safe, adequate, and efficient rail service throughout the State of Ohio. ORDC applauds our United States Congress for challenging the FRA and individual States to develop policies that will guide our nation to safer highways. ORDC respectfully requests that the FRA reinterpret its understanding of § 202 of the Rail Safety Improvement Act of 2008. Specifically, the Act reads "... the Secretary shall identify the 10 States that have had the most highway-rail grade crossing collisions, on average, over the past 3 years..."[2] Raw numbers do not indicate an accurate comparison of grade crossing crashes. A more appropriate measure for determining grade crossing crashes within a state is measuring the number of crashes relative to the number of vehicles and the number of highway-rail grade crossings.

The ORDC recognizes the increasing importance of providing systematic programs and policies that keep up with the ever changing transportation environment. However, the ORDC believes the effort and funding involved in creating a State Action Plan could be utilized in a more effective manner elsewhere. Ohio does not dispute that benefits result from the prevention of collisions at highway rail grade crossings ("HRGC"). Ohio does dispute that the creation of the plan will prevent collisions in any way, especially in an atmosphere of limited manpower and limited budgets.

Since its inception in 1994, the ORDC has managed the federal funds allocated for the elimination of hazards at railroad grade crossings. Over 223 million dollars have been invested

[2] Rail Safety Improvement Act of 2008, § 202, 49 U.S.C. § 22501 (2009)

and over 1,300 warning device installations completed.[3] The ORDC is proud of Ohio's advancements in the railroad grade crossing safety arena. Lives have been saved and needless injuries have been prevented due to the aggressive safety programs administered by the ORDC and other Ohio state agencies. Ohio recorded an average of less than 11 grade crossing fatalities in the years 2003 through and including 2008; significantly less than the average of over 17 fatalities a year from 1998 to 2002.[4] This resulted in a reduction of fatalities at Ohio grade crossings of 61 percent.[5] Crashes in Ohio have also been steadily decreasing in recent years, with a reduction from 122 crashes in 2005 to 82 crashes in 2008.[6] Including Ohio in the ten states with the most crashes ignores the great strides that Ohio has taken in the last decade, as there are more appropriate measures for determining grade crossing safety within a state.

COMMENTS

A. Methodology used to rank most hazardous States does not account for rate or frequency of grade crossings and motor traffic.

While it is true that Ohio consistently ranks in the top ten states in highway-rail crashes at public grade crossings[7]; this fact is misleading. Data for two of the three years averaged by the Secretary of Transportation in calculating the ten states with the most HRGC collisions is available on the FRA website. According to this data, Ohio has ranked 8th in 2006 and 5th in

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[3] ORDC Safety Budgets, 1994-2008.
[4] Ohio Highway Safety Improvement Report (HSIP), 31 Aug 2009. The HSIP is a report filed annually with Federal Highway Administration that encompasses all expenditures made in State fiscal year 2009 (July 1, 2008-June 30, 2009) toward grade crossing safety. This report is required by 23 U.S.C. §130(g). Historical data is routinely included in this report to provide a better picture of the results of the improvements. The most recent filed report is attached.
[5] *Id.*
[6] *Id.*
[7] Federal Railroad Administration, U.S. Department of Transportation, Railroad Safety Statistics Annual Report. Bulletins from 1998-2007 were used in comparing the data.

2007 in total crashes at HRGCs.[8] However, these numbers do not encompass the true situation in Ohio: one in which safety is of the utmost importance, and where Ohio is one of the safest of the major railroading states in the nation.

While Ohio did have 108 crashes at HRGCs in 2006 (8th in the nation) and 110 in 2007 (5th), Ohio also ranked 4th in both 2006 and 2007 in number of public HRGCs.[9] When you combine the two numbers, Ohio has had 1.73 crashes per 100 HRGCs in 2006, and 1.8 in 2007.[10] These numbers are 18th and 15th, respectively, on a national basis.[11] Ohio is very much an automobile-centric state, thus, measuring the number of HRGC crashes per 100,000 vehicles is an important measure of safety that includes the rate at which travelers cross grade crossings. In this respect, Ohio has averaged less than 1 HRGC crash per 100,000 vehicles in both 2006 and 2007, ranking 26th and 21st in those years.[12]

B. The ORDC believes our U. S. Congress and the FRA could dramatically and significantly impact highway-rail grade crossing safety by modifying 23 U.S.C. § 130 to allow for more flexibility in the use of Federal dollars for consolidation efforts.

The Rail Safety Improvement Act of 2008 directs the Secretary of Transportation to take multiple actions in relationship to FRA and individual State's involvement in grade crossing safety and incident prevention.[13] In the case of this particular NPRM, the FRA requires the ten States with the most highway-rail grade crossing collisions, on average, over the past three years, to develop State highway-rail grade crossing action plans.[14] The plan shall in part identify

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[8] *Id.*
[9] *Id.*
[10] *Id.*
[11] *Id.*
[12] *Id.*
[13] Rail Safety Improvement Act of 2008, § 202, 49 U.S.C. § 22501 (2009)
[14] *Id.*

specific solutions for improving safety at crossings, including highway-rail grade crossings closures or separations.[15] The ORDC supports the consolidation initiative and has aggressively pursued the closure of redundant crossings for decades. In 1996 and 1997, ORDC staff worked with Senator Michael DeWine to create language in 23 U.S.C. § 130(i) that allows for incentive payments for at-grade crossing closures. The flexibility allowed under this language has proven useful in the closure of redundant crossings in Ohio; however, the ORDC believes small modifications to the existing code could significantly increase the number of crossings eliminated in our state. In this regard, the ORDC would be more than willing to work with appropriate congressional staff or the FRA to modernize existing code to make it more applicable to today's situation. Some revisions that ORDC believes would result in more successful closure negotiations and significantly increase the number of crossing eliminations include:

- The funding limitation of $7,500 has proven to be too small to persuade local highway authorities to make the politically difficult decision to close a crossing. The ORDC believes that a commensurate compensation for the closure of a hazardous and redundant crossing would be equal to the amount of money it would cost the applicable government agency to improve the crossing with additional warning devices. In other words, if a diagnostic team recommends a redundant crossing be modified from passive signage to flashing lights and roadway gates, federal grade crossing safety funds should be eligible for a sum equal to the installation cost of said flashing lights and gates in the form of an incentive payment from the State under the existing provision of 23 U.S.C. § 130. Significant grants, as opposed to the existing limitation of $7,500, to be used for

[15] *Id.*

transportation safety improvements would create win/win situations for all involved. A pending case before the Public Utilities Commission of Ohio (PUCO), involving a crossing on Ulsh Road in Claridon Township Marion County, Ohio illustrates this point.[16] A redundant, unsafe crossing was identified; however, ORDC was constrained in attempting to negotiate an amicable closure based on the lack of a sufficient monetary incentive.[17] Claridon Township has appealed a PUCO Order closing Ulsh Road, and while legal proceedings are in process a dangerous grade crossing remains open, with no improvements forthcoming.

- In considering the increase of the incentive allowed for a grade crossing closure, it must be acknowledged that 23 U.S.C. § 130 calls for an equal incentive payment from the railroad owning the tracks on which the crossing is located.[18] If the incentive payment from the state is increased, ORDC supports an incentive payment from the railroad to be no less than $7,500. If a higher incentive payment from the railroad is warranted, this should be negotiated by the State and the railroad based on specific circumstances, such as hazard index, sight distance, maintenance costs and railroad financial resources.[19]
- When considering the overall importance of 23 U.S.C. § 130, it is paramount that Congress recognizes the need to maintain this dedicated program in the next transportation reauthorization. The § 130 program is the funding source behind approximately 40 of Ohio's grade crossing warning device upgrade projects per year.

[16] The PUCO is the agency with regulatory control over the closure of grade crossings in Ohio.
[17] *In the Matter of the Petition of CSX Transportation, Inc. to Close to Vehicular Traffic the County Road 205/Ulsh Road Grade Crossing (262-061N), Located in Claridon Township, Marion County, Ohio.*, PUCO Case No. 09-0125-RR-UNC (2009) (accessible at http://dis.puc.state.oh.us/CaseRecord.aspx?CaseNo=09-0125-rr-unc).
[18] 23 U.S.C. § 130(i)(2) (2009).
[19] Should a railroad be forced to match a substantial (for example, $190,000) incentive payment from a governmental agency, railroads would have a strong monetary incentive to push for the crossing to remain open and upgraded to flashing lights and gates, as the cost to the railroad for installing warning devices is typically <$50,000, thus defeating the intent of the incentive itself.

Absent this program, Ohio's ability (and that of all states utilizing § 130 funds) to eliminate hazards at public grade crossings would be severely reduced. It is imperative that the funding provided under 23 U.S.C. § 130 remain available to all states in order to continue to aggressively create a safer transportation system.

C. The ORDC believes the creation a statutory rule that would require the ten States with the most highway-rail grade crossing collisions, on average, over the past three years, to develop State highway-rail grade crossing action plans establishes redundancy and a burdensome duplication of efforts.

Federal regulation calls for each state to develop a Highway Safety Improvement Plan (HSIP).[20] Ohio's Division Office of the Federal Highway Administration takes this charge extremely seriously. The ORDC spends significant time creating the HSIP report for a yearly synopsis of all efforts in the grade crossing safety arena. The report also addresses modifications and additions to the program, and future goals. The ORDC's intent is to use this detailed report as a template for the State Highway-rail Grade Crossing Action Plan; however, this action is not productive and adds tasks to understaffed agencies responsible for grade crossing safety initiatives.

CONCLUSION

ORDC appreciates the Secretary and FRA's work in adopting the findings of the Rail Safety Improvement Act of 2008 and the development of this specific NPRM. The ORDC respectfully requests that the FRA reinterpret its understanding of § 202 of the Rail Safety Improvement Act of 2008 with respect to how the top ten States are calculated. ORDC submits these comments and concerns for the NPRM as written.

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[20] 23 U.S.C. § 130(g) and explained *supra*, at 4.

Respectfully submitted,

James Bradley
Chairman
Ohio Rail Development Commission
1980 West Broad Street
Columbus, OH 43223
(614) 644-0307
FAX: (614) 728-4520

Matthew Dietrich
Executive Director
Ohio Rail Development Commission
1980 West Broad Street
Columbus, OH 43223
(614) 644-0307
FAX: (614) 728-4520

Attachment (1)
2009 Highway Safety Improvement Program Report (HSIP)

Attachment C

TIGER II DISCRETIONARY GRANTS PROGRAM

TIGER II Funding: On Monday, April 26, 2010, the Department of Transportation solicited applications for the TIGER II discretionary grant program, a $600 million competitive grant program for surface transportation projects. Pre-applications are due on July 16, 2010, and final applications are due on August 23, 2010. The pre-application will include basic information on projects and will be used by DOT to determine eligibility, the presence of the appropriate match and whether NEPA has been initiated.

Funding is available to units of government – including state, tribal and local governments, transit agencies, port authorities, MPOs and multi-jurisdictional entities – for capital investments in highway or bridge projects; public transportation projects; passenger and freight rail transportation projects; port infrastructure investments; and intermodal facilities.

Individual awards can be $10-200 million, with up to 80% of project costs eligible for federal funding. $140 million is reserved for projects in rural areas, where 100% of project costs are eligible for funding and project awards can be as low as $1 million. No one state can receive more than 25% of program funds.

Up to $150 million is available to support TIFIA financing, and up to $35 million is available for transportation planning grants. Applicants may apply for capital grants, TIFIA financing or planning grants, though applicants for capital grants may be awarded TIFIA financing or a planning grant, if it is determined that is the most appropriate award.

Public Comments: The solicitation also provides two weeks for comments on the proposed selection criteria and guidance for awarding TIGER II Discretionary Grants. The Department will take all comments into consideration and may revise the solicitation by May 28, 2010.

HUD Community Challenge Grants: DOT and HUD are requesting comments on a proposal to solicit and evaluate applications for TIGER II transportation planning grants and HUD's $40 million in Community Challenge Grants jointly. Activities eligible for HUD's grants are corridor or station-area plans, revisions to zoning or building codes and creating or preserving affordable housing for low-income families near transit.

Because the DOT's TIGER II planning funding and HUD's Community Challenge Planning Grant funding is for similar, related purposes DOT and HUD are interested in conducting a multi-agency evaluation and award process. This multi-agency approach is consistent with DOT's and HUD's participation in the "Partnership for Sustainable Communities" to help Americans in all communities – rural, suburban and urban – gain better access to affordable housing, more transportation options, lower transportation costs and a cleaner environment.

Selection Criteria: The Department will give priority to projects that have a significant impact on the following long-term outcomes:

- State of Good Repair: Improving the condition of existing transportation facilities and systems, with particular emphasis on projects that minimize life-cycle costs.
- Economic Competitiveness: Contributing to the economic competitiveness of the United States over the medium- to long-term.
- Livability: Fostering livable communities through place-based policies and investments that increase transportation choices and access to transportation services for people in communities across the United States.
- Sustainability: Improving energy efficiency, reducing dependence on oil, reducing greenhouse gas emissions and benefitting the environment.

- Safety: Improving the safety of U.S. transportation facilities and systems.

Projects will also be evaluated based on the extent to which they include the following:

- Job Creation & Economic Stimulus: The Department will give priority to projects that are expected to quickly create and preserve jobs and stimulate rapid increases in economic activity, particularly jobs and activity that benefit economically distressed areas.
- Innovation: Priority will be given to projects that use innovative strategies to pursue the long-term outcomes outlined above.
- Partnership: The Department will give priority to projects that demonstrate strong collaboration among a broad range of participants and/or integration of transportation with other public service efforts.

TIGER Discretionary Grant Process and Awards: DOT received over 1400 applications totaling almost $60 billion for the $1.5 billion TIGER Discretionary Grant program created under ARRA. In February, 51 awards were announced for projects ranging from bridge replacements, freight rail corridor improvements, streetcar extensions, and bicycle/pedestrian networks. The largest grant award was $105 million for a multi-state freight rail project, and the average award size was $30 million.

DOT expects the TIGER II Discretionary Grant program to be just as competitive, though the total funding available is lower.

Attachment D

PERRYSBURG MESSENGER 1935 — YOUR H... JOU... 1853

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'The railroad is both a blessing and a curse'

The City of Perrysburg completes railroad crossing updates and closures

By Deb Buker

Last week, the City of Perrysburg completed a three-year project with CSX Transportation, the Ohio Rail Development Commission (ORDC) and the Public Utilities Commission of Ohio–the Perrysburg Safety Corridor Project.

The safety project included the installation of flashing lights with roadway gates and state-of-the-art circuitry at the Locust, Elm and Walnut street rail crossings and the closure of the Cherry, Pine and Hickory street crossings.

At a recent dedication of the safety enhancements, Mayor Nelson Evans said city administrators have always made concerted efforts to ensure the safety of residents and visitors of the city.

"This has been a long project–it did not just happen this past year. It has been at least three if not four years in the process," said the mayor, acknowledging City Administrator John Alexander who began the initiative and discussions with the ORDC, CSX and the community. "As a result of this effort, every crossing in Perrysburg has lights and gates. There will be less whistles blowing with three less crossings, and the enhanced crossings also have increased pedestrian safety as well as traveling safety. And I believe that is the most critical aspect of the whole project."

Speaking on behalf of the ORDC, executive director *Matt Dietrich told the group* that from a community perspective, the railroad is both a blessing and a curse.

"The blessing for the commerce and the industry that helps support the area, but with that comes the other issues with the crossings and the noise," he said. "I believe this project is an example of where we can reach the balance–we can try to capture the best of both worlds."

The executive director also emphasized the partnerships that are required to move forward and complete this type of project.

"I can't say enough about the City of Perrysburg and the commitment they made in the long term to improve both the safety and the quality of life in the community," he added.

ORDC Commissioner Rob Greenlese also reiterated that the collaborative efforts of the city, CSX and the State of Ohio will prevent needless vehicle-train incidents.

"The safest railroad grade crossing, of course, is one that does not exist–where motor vehicles and trains do not meet because one runs over the other. Those are the safest situations," he said. "But where highways and railroad tracks do meet and cross, it has been the mission of the Ohio Rail Development Commission safety section to improve safety and reduce the risk at Ohio's 6,000 public grade crossings."

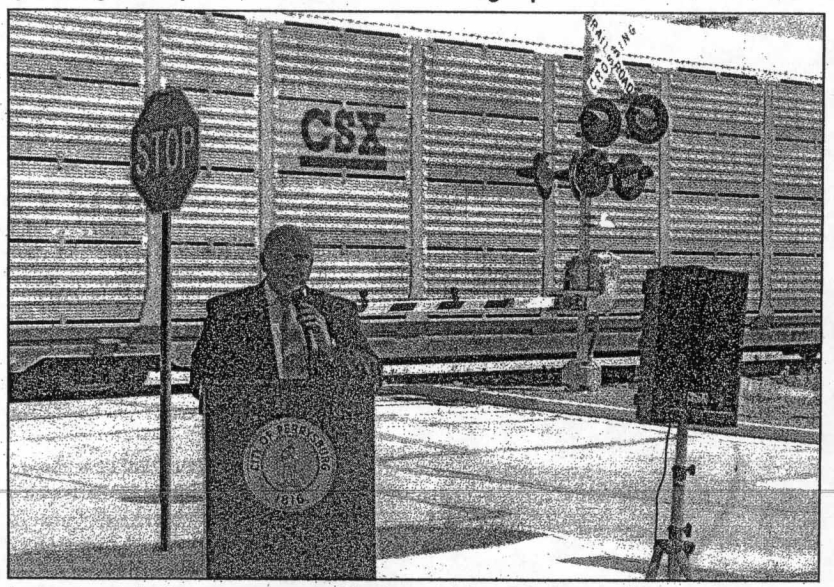
In the past two decades, more than half of Ohio's crossings have been upgraded to flashing lights with roadway gates. In recent years, the ORDC has provided funding for new state-of-the-art light and gate applications with improved circuitry, added the commissioner.

"Both warning device improvements and crossing elimination are critical to our mission as 69 percent of all crashes occur at locations with active warning devices," said the ORDC commissioner. "Even though crashes occurring in Ohio have shown a steady decline, 69 percent of crashes at Ohio grade crossings happen when motorists ignore flashing lights or flashing lights with roadway gates."

In 2009, there was a record low of rail crashes–55 with 18 injuries and six fatalities. Commissioner Greenlese said this is a dramatic decline, but there is more to do.

"Our partnerships, like the one we forged here in Perrysburg, help us meet our goal of zero crashes at grade crossings," he added. "In the case of Perrysburg, city officials had a problem–the lights and gates across the city were inconsistent in

Please turn to page 4



Last week, a dedication ceremony was held for the completion of the Perrysburg Safety Corridor Project. Mayor Nelson Evans said that as a result of this effort, every crossing in Perrysburg has lights and gates. "There will be less whistles blowing with three less crossings, and the enhanced crossings also have increased pedestrian safety as well as traveling safety. And I believe that is the most critical aspect of this whole project," said the mayor.

Perrysburg Tow... to assist Lake T...

By Jane Maiolo

Perrysburg Township police, fire and EMS personnel are among area first responders to provide assistance to Lake Township in the wake of the tornado earlier this month.

At the June 6 meeting, Police Chief Ed Stribrny said the department has officers assisting with patrols. The chief is checking into the possibility of providing Lake Township Police with several loaner patrol cars, noting that Lake had lost its command station and more than half of its fleet in the tornado.

Deputy Fire Chief Tom Brice said EMS and Fire also were on the scene shortly after the EF4 struck. "We sent a life squad out there and had crews out there all night."

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Dr. McDougle nam...

On June 8, the Owens Community College Board of Trustees selected interim president Dr. Larry McDougle to serve as the academic institution's new president. Dr. McDougle has been serving as the interim president since January.

The board approved Dr. McDougle's appointment as the fifth president in the 45-year history of the college and awarded him a one-year contract.

According to trustees Chair Dee Talmage, the presidential search committee was planning to reconvene in June to review additional applications, however, after receiving overwhelming feedback from the campus community as well as community members in support of Dr. McDougle and his leadership, the decision was made to end the search.

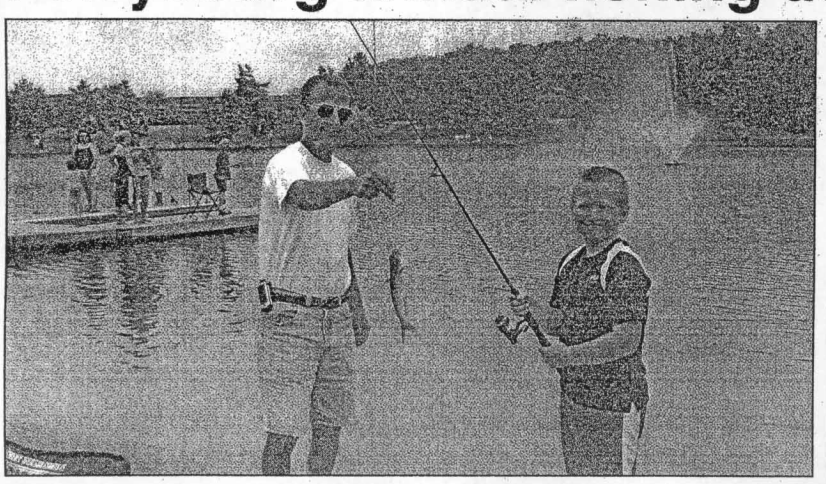
"During the past six months, Dr. McDougle's

Dr...

leadersh... been in... Owens... campus... and m... institu... challen... Talmag...

"Th... region ...

Perrysburg annual fishing derby draws more



The City of Perrysburg completes crossing updates

Continued from page 1

how they operated. This issue led to driver frustration and drivers making bad decisions at crossings."

Even though the Perrysburg lights and gates were functioning properly, they were equipped with old style circuitry, said the commissioner.

"The electronic ducts that make up the warning devices in the lights and gates would often activate with too much warning time or at times when no trains were approaching," he explained. "So the City of Perrysburg came to the ORDC looking for a solution. The crossings at Locust, Elm and Walnut streets all now operate with new constant warning time signal technology making safety happen when safety matters most, as a train approaches.

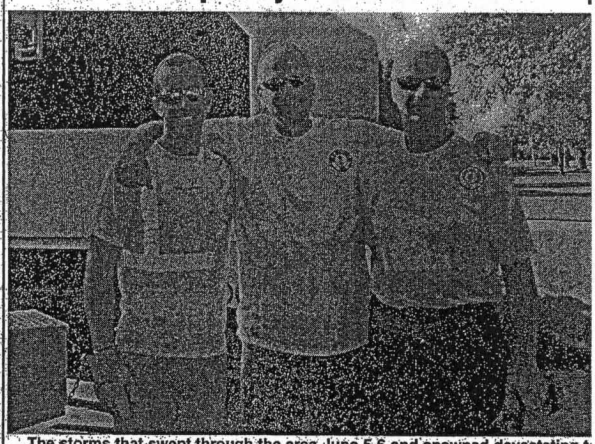
"But Perrysburg stepped up in another way–agreeing to close three crossings. This decision will forever eliminate the risk of a motor vehicle and train from colliding at those three crossings. The negotiations for the closure of these crossings were a challenging task. Without the hard work of project manager Tod Darfus, Ken Gilsdorf from CSX, and John Alexander, the project may not have come to fruition.

"We will never know whose life will be saved by reducing the number of crossings in Perrysburg, but lives will be saved. And, if that enables a local mom or dad to make it home safely or perhaps one of their teenagers to go to college to do great things, then the investment of $700,000 in federal funds was well worth it. And let's not forget the peace of mind these safer crossings give to the rail crews on the trains. We congratulate everyone with the City of Perrysburg, CSX and all authorities working on this project."

CSX representative Ken Gilsdorf told those attending the dedication that the Federal Railroad Administration has asked the railroads to work with the department of transportation to try to close 25 percent of the railroad crossings in the United States.

"I know it isn't a very popular decision to close crossings, and it was a difficult decision here in Perrysburg," said Mr. Gilsdorf. "I've been involved in a lot of grade crossing closures in my five states, and I have never had a city that has closed three crossing before. That was a huge commitment from Perrysburg. I can't tell you what a good partnership this has been working with city administrators on these closures. It is safer for the community, safer for the neighborhoods and safer for our train crews."

Storms keep city street crews busy

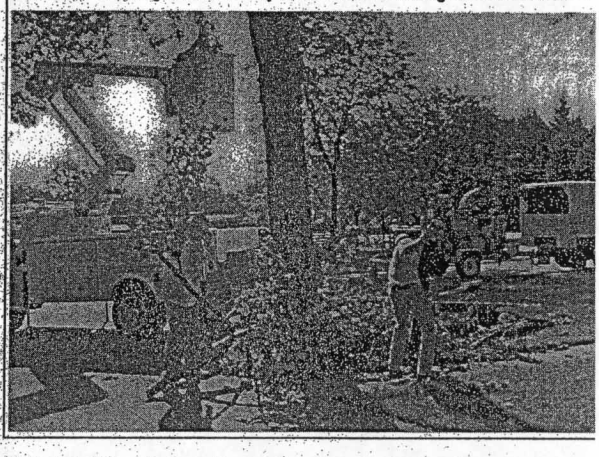


The storms that swept through the area June 5-6 and spawned devastating t nados also kept Perrysburg City street crews busy cleaning up fallen tree limbs a debris.

Elm Street resident Joyce Felske said she woke up on Sunday morning to fi branches all over her front yard and a large tree limb blocking her driveway. Unsu if she or the city was responsible for the clean-up, she decided to wait until s could call the city Monday to find out.

But, Mrs. Felske said, before she even woke up on Monday morning, she hea a noise outside and found a street crew already taking care of the debris. By 9 a.r the crew was finished and the tree limbs were gone.

"I was so impressed with how fast they worked and how presentable they were she said. "They were so polite. I wanted all of Perrysburg to know that the city on the ball. What a great community we have here in caring for one another."



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Wood County real estate taxes have been maile

Real estate tax statements for the second half of 2010, payable by July 9, 2010, have been mailed according to Jill Engle, Wood County treasurer.

A total of $75,956,399.34 has been billed against 72,206 parcels. To avoid a 10 percent penalty, the taxes must be paid by July 9, 2010.

By law, the post office cancellation date is considered. Taxpayers should be aware that all internet payments, mailed by their financial institutions need to be postmarked on or before the due date.

Once again, Treasurer Engle will furnish duplicate "information only" copies of statements to property owners who pay their real estate taxes with their house payment. "This is for taxpayer reference only", Mrs. Engle cautioned, "the lending institution will receive the original bill and make payment, the property owner will simply have the convenience of knowing the amount and breakdown of their tax dollars."

Members of the National Guard and Reserve components of the Armed Forces of the United States, who have been called to active duty under Operation Enduring Freedom, Operation Noble Eagle or the governors directive of September 28, 2001, may qualify for an extension of time in which to pay.

As a customer service, most of the financial institutions in the county will accept payments of the r estate taxes and forwa them. Individuals need present their bill and pay t exact amount. They will r accept partial paymen escrow payments or disput amounts. These concer can be resolved by conta ing the treasurer's offi either in person or by t free phone. The phone nu bers are Bowling Gree 419-354-9130; all oth areas, 1-866-860-414 extention 9130.

The financial institutio participating are the Co City State Bank, Crogh Bank, the Fifth Third Ba of Northwest Ohio, Fi Federal of the Midwe Huntington National Ban Merit Bank, the State Ba and Trust, and Union Bank

Tax payments may made by automatic wit drawal from your checki account. You also may ren payment by credit card, wi a convenience fee attached

A drop box for tax pa ments is located in the sout west corner of the parki lot off of Summit Street. It directly behind the UPS bo

Visit the treasurer's W site at treasurer.co.woo .oh.us for more information

Cancer survivor breakfast June 19

Mercy Cancer Centers will host a cancer survivor breakfast celebration on Sat-

high pressure jobs to term nal illnesses.

Displays from Merc

MEMORANDUM
July 8, 2010

TO: ORDC Commissioners
FROM: Megan McClory
SUBJECT: Finance Report

Accomplishments and Highlights of the Finance Section from May 5, 2010 to July 8, 2010:

1. **Happy Fiscal New Year!** Fiscal Year 2010 ended on June 30. We awarded 16 General Revenue Fund grants of $1,443,057. This total includes over $50,000 in operating savings that we were able to transfer to the grant program at the end of the fiscal year and use for projects. Staff has prepared statements to reflect current outstanding loans, revenue collection, and project balances. Those statements are included with this report.

2. **ARRA Projects.** ORDC has been working with colleagues at ODOT and the Ohio Division of the Federal Highway Administration to administer approximately $70 million of Ohio's ARRA funds for rail-related projects. All projects have been authorized by the Federal Highway Administration for funding and are in various stages of preparation/bidding/construction/completion. Since the Commission last met, construction has started on the Panhandle Rail Line Rehabilitation (Ohio Central) project and material purchases have been authorized for two projects with Norfolk Southern, the Toledo Airline Yard Terminal and the Heartland Corridor Columbus-to-Cincinnati Extension. Restoration on the Camp Chase Bridge over West Broad Street in Columbus will start on July 19.

3. **ORDC Staffing.** We have received approval for two intern positions for the summer, one in the safety section and one in the fiscal section who will be able to work on project development, research, policy, etc., based on ORDC's workload and the selected intern's interests and skills. We are conducting interviews for these positions starting the week of July 6.

ORDC - Loan Payback (Active Loans)
July 6, 2010

	Loans	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	App, Loan, Interest & Admin. Fees	Total Payments
FY03 Portage Cty Solid Wst Mgmt. *	$80,000	$9,622							***$3,279***	***$83,279***
*FY04 Columbiana County Port Authority **	*$2,098,047*	*$433,408*	*$216,704*						***$110,059***	***$2,208,105***
FY04 Maumee & Western *	$199,088	$29,502	$17,209						***$8,460***	***$207,548***
FY05 Seneca-Sandusky-Tiffin Port Auth*	$290,000	$10,203							***$16,267***	***$306,267***
FY05 Ashland RW (Mansfield Yard Rehab)**	$500,000	$8,911							***$41,285***	***$541,285***
FY05 I&O (Fulton County Processing, Ltd)*	$242,335	$8,780							***$24,266***	***$266,601***
FY07 Marion Industrial Center *	$273,000	$68,569	$68,569	$22,856					***$32,078***	***$305,078***
FY07 WESTCO *	$308,000	$50,026	$50,026	$50,026	$50,026	$25,013			***$35,760***	***$343,760***
FY08 WESTCO (Sugar Creek Bridge) *	$280,417	$41,885	$43,189	$43,189	$43,189	$43,189	$17,995		***$20,147***	***$300,565***
FY07 Village of Leipsic *	$825,000	$131,318	$135,713	$135,713	$135,713	$135,713	$67,857		***$52,702***	***$877,702***
FY09 Lancaster Port Authority *	$145,163	$49,743	$29,017						***$4,911***	***$150,074***
FY09 WESTCO (Springfield/WCH) *	$400,000	$57,143	$60,079	$60,345	$60,345	$60,345	$60,345	$5,029	***$20,513***	***$420,513***
FY09 Maumee & Western (HotStart) *	$90,000	$18,031	$18,397	$18,700	$18,700	$17,142			***$3,871***	***$93,871***
FY06 Harrison Ethanol ***	$500,000									
FY06 Wheeling & Lake Erie ***	$150,000									
FY07 Wheeling & Lake Erie ***	$378,600									
FY08 MGQ, Inc. ***	$300,000									
FY08 City of Jackson ***	$300,000									
FY10 Ashland Railway ***	$280,000									
FY10 Deltech Polymer ***	$337,457									
FY10 New Horizons Baking Company ***	$50,000									
	$8,027,107	**$917,141**	**$638,904**	**$330,831**	**$307,974**	**$281,403**	**$146,198**	**$5,029**	***$373,597***	***$6,104,647***

Loan Amount Received to Date: **$56,441**
Loan Balance Due: **$860,700**

*Loans Active
**Loans Paid Off
***Loans in Process

28

Revenue Received FY 2010
June 2010

Name	CT #	Invoice #	Reimburse-ments 7002/GRF	Refund 4N4(53490)	Gas & Oil Leases, Royalties and Other - 4N4 (49995)	ORDC Loan Payment - 4N4 Fees (29991)	ORDC Loan Payment - 4N4 Princ. (79955)	ORDC Loan Payment - 4N4 Inter. (79956)	Running Total
Ashland Railway	Electronic						8,871.69	39.52	981,243.30
I&O (FCP)	Electronic						4,353.72	36.35	985,633.37
Lancaster Port Authority	Electronic						3,965.26	180.01	989,778.64
MIC	Electronic						5,004.45	709.67	995,492.76
Maumee & Western RR	Electronic						2,377.94	80.53	997,951.23
SST Port Authority	Electronic						5,067.50	33.90	1,003,052.63
Village of Leipsic	Electronic						10,576.92	0.00	1,013,629.55
WESTCO #1	Electronic						3,290.98	877.85	1,017,798.38
WESTCO #2	Electronic						3,338.30	0.00	1,021,136.68
WESTCO #3	Electronic						4,761.90	0.00	1,025,898.58
Maumee & Western (HotStart)	Electronic						1,500.00	0.00	1,027,398.58
Bonecutter Drilling (IAR Enterprises)	102	RA0072			250.00				1,027,648.58
Resource Energy	103				55.43				1,027,704.01
Portage Resources, Inc.	104				549.84				1,028,253.85
Village of Orwell	105	RA0096			298.52				1,028,552.37
Level 3 Communications (cable fee-2010)	105				600.00				1,029,152.37
FirstEnergy (Ohio Edison Company)	106	RA0095			289.83				1,029,442.20
Genesee & Wyoming	106	Apex-May			10,230.00				1,039,672.20
	Monthly Total		0.00	0.00	12,273.62	0.00	53,108.66	1,957.83	67,340.11
	Grand Total		4,793.52	0.00	206,529.84	71,994.49	736,882.86	24,265.01	1,039,672.20

OHIO RAIL DEVELOPMENT COMMISSION
APPROPRIATION LEDGER
For Month Ending June 30, 2010

FUND	SAC	FEDERAL STATE/OTHER	ORIGINAL APPROPRIATION	TRANSFERS	UNASSIGNED	ADJUSTED APPROPRIATION	OPEN ENCUMBRANCES	TOTAL DISBURSED	UNENCUMBERED BALANCE	PERCENT UNOBLIGATED	SAC DEFINITION
GRF	4FA5	STATE	2,125,835.00	30,698.72	713,475.00	1,443,058.72	1,232,086.00	210,971.00	1.72	0.00%	GRANT (ALL)
GRF	465M	STATE	35,000.00	45,500.00	0.00	80,500.00	15,147.48	64,126.15	1,226.37	1.52%	PERSONAL SERVICE/OTHER
GRF	4651	STATE	754,000.00	(83,108.72)	28,800.22	642,091.06	0.00	640,651.24	1,439.82	0.22%	PAYROLL
GRF	4652	STATE	156,936.00	(32,015.51)	32,936.00	91,984.49	4,953.00	86,636.74	394.75	0.43%	OFFICE EXPENSE
	FUND TOTAL		**3,071,771.00**	**(38,925.51)**	**775,211.22**	**2,257,634.27**	**1,252,186.48**	**1,002,385.13**	**3,062.66**	**0.14%**	**FUND TOTAL - GRF**
7002	4FN7	FEDERAL	1,351,000.00	1,166,787.04	0.00	2,517,787.04	784,700.39	259,857.58	1,473,229.07	58.51%	GRADE CROSSING PAVEMENT
7002	4FPM	FEDERAL	12,000.00	(5,761.82)	0.00	6,238.18	0.00	0.00	6,238.18	100.00%	GRADE CROSSING PERSONAL SERVICE
7002	4FP1	FEDERAL	637,000.00	(145,000.00)	92,238.18	399,761.82	0.00	399,761.82	0.00	0.00%	GRADE CROSSING SAFETY'S PAYROLL
7002	4FP7	FEDERAL	11,000,000.00	5,084,693.16	0.00	16,084,693.16	14,540,364.90	1,210,864.96	333,463.30	2.07%	GRADE CROSSING DEVICES
7002	4SP1	FEDERAL	243,000.00	(920.00)	2,252.45	239,827.55	0.00	233,177.96	6,649.59	2.77%	GRADE CROSSING SAFETY'S PAYROLL
	FUND TOTAL		**13,243,000.00**	**6,099,798.38**	**94,490.63**	**19,008,480.20**	**15,325,065.29**	**2,103,662.32**	**1,819,580.14**	**9.57%**	**FUND TOTAL - 002**
4N40	6FC5	OTHER	0.00	350,000.00	0.00	350,000.00	350,000.00	0.00	0.00	0.00%	RAIL TRAN - GRANTS
4N40	6FC9	OTHER	1,914,966.00	(358,161.56)	0.00	1,556,804.44	667,457.00	0.00	889,347.44	57.13%	RAIL TRAN - LOANS
4N40	6FD9	STATE	762,600.00	0.00	0.00	762,600.00	0.00	0.00	762,600.00	100.00%	PANHANDLE LEASE PAYMENT
4N40	6111	STATE	196,534.00	8,000.00	9,060.81	195,473.19	0.00	191,997.77	3,475.42	1.78%	PAYROLL(PROPERTY MGNT)
	FUND TOTAL		**2,874,100.00**	**(161.56)**	**9,060.81**	**2,864,877.63**	**1,017,457.00**	**191,997.77**	**1,655,422.86**	**57.78%**	**TOTAL - OTHER ASSISTANCE**
	GRAND TOTAL		**19,188,871.00**	**6,060,711.31**	**878,762.66**	**24,130,992.10**	**17,594,708.77**	**3,298,045.22**	**3,478,065.66**	**14.41%**	

OHIO RAIL DEVELOPMENT COMMISSION: July 2010 Finance Report (FY 2010)

GRF APPROPRIATION AVAILABLE FOR PROJECTS

GRF APPROPRIATION FOR PROJECTS		1,443,059
LESS: BUDGET REDUCTION (net)		
LESS: PROJECTS ENCUMBERED or DISBURSED		
City of Lebanon LM&M Tourist Railroad Rehabilitation	25,000	
Cleveland Commercial Randall Secondary	110,000	
Deltech Polymers	24,000	
Indiana & Ohio Lancaster Industrial Track Rehab	114,310	
Indiana & Ohio Midland Sub Phase II	200,000	
Indiana Eastern Railroad Bridge Repairs	100,000	
Mercer Landmark	100,000	
Ohio Basic Minerals	30,000	
Ohio Central Swing Bridge Repair	131,015	
Ohi-Rail/Piney Fork Bridges & Crossings	94,137	
Operation Lifesaver	1,300	
Wheeling & Lake Erie Maumee River Swing Bridge	155,000	
Bellaire Harbor Services	80,000	
Island Aseptics	72,415	
RJ Corman Cleveland Line	172,880	
Midwest Regional Rail Initiative	33,000	
LESS: PROJECTS APPROVED BUT NOT ENCUMBERED		
LESS: PROPOSED GRF COMMITMENTS FOR FY 2010		
TOTAL	*1,443,057*	*-1,443,057*
BALANCE OF GRF APPROPRIATION FOR PROJECTS		***1.72***

RAIL DEVELOPMENT FUND 4N40 - REVOLVING LOAN FUND	Uses of funds	Spending Authority	Cash
Cash Balance as of 6/30/10			5,965,730
LESS: OPEN ENCUMBRANCES	1,628,000		
LESS: PANHANDLE RESERVE FUND	762,600		
TOTAL	*2,390,600*		*-2,390,600*
FISCAL YEAR 2010 APPROPRIATION		2,111,500	
LESS: PAYROLL FROM LOAN AND LICENSE FEES (Budgeted)	196,534		
LESS: PROJECTS ENCUMBERED or DISBURSED			
Ashland Railway Mansfield to Willard Line (Loan)	280,000		
Deltech Polymers (Loan)	337,457		
Licking Co. Engineer; Marne Bridge (Grant)	350,000		
New Horizons Baking Company (Loan)	50,000		
LESS: PROJECTS APPROVED BUT NOT ENCUMBERED			
LESS: PROPOSED COMMITMENTS FOR FY 2010			
TOTAL	*1,213,991*	*-1,213,991*	*-2,111,500*
APPROPRIATION BALANCE OF FUND 4N40 AVAILABLE FOR PROJECTS		***897,509***	
ADDITIONAL CASH BALANCE OF FUND 4N40 AVAILABLE*			***1,463,630***

**Funding projects beyond the appropriation balance would require Controlling Board approval.*

FY 2010 Project Balance Summary

Remaining GRF Appropriation for Projects	2
Remaining 4N40 Appropriation for Projects	897,509
Balance of ORDC Appropriations for Projects	**897,511**

OHIO RAIL DEVELOPMENT COMMISSION: July 2010 Finance Report (FY 2011)

GRF APPROPRIATION AVAILABLE FOR PROJECTS

GRF APPROPRIATION FOR PROJECTS		**1,390,000**
LESS: BUDGET REDUCTION (net)		
LESS: PROJECTS ENCUMBERED or DISBURSED		
LESS: PROJECTS APPROVED BUT NOT ENCUMBERED		
LESS: PROPOSED GRF COMMITMENTS FOR FY 2010		
Maumee & Western	**227,500**	
TOTAL	*227,500*	*-227,500*
BALANCE OF GRF APPROPRIATION FOR PROJECTS		***1,162,500***

RAIL DEVELOPMENT FUND 4N40 - REVOLVING LOAN FUND	**Uses of funds**	**Spending Authority**	**Cash**
Cash Balance as of 7/6/10			5,965,730
LESS: OPEN ENCUMBRANCES	2,645,457		
LESS: PANHANDLE RESERVE FUND	764,300		
TOTAL	*3,409,757*		*-3,409,757*
FISCAL YEAR 2010 APPROPRIATION		2,111,500	
LESS: PAYROLL FROM LOAN AND LICENSE FEES (Budgeted)	205,900		
LESS: PROJECTS ENCUMBERED or DISBURSED			
LESS: PROJECTS APPROVED BUT NOT ENCUMBERED			
LESS: PROPOSED COMMITMENTS FOR FY 2010			
Hardin Rail Logistics Center	**500,000**		
TOTAL	*705,900*	*-705,900*	*-2,111,500*
APPROPRIATION BALANCE OF FUND 4N40 AVAILABLE FOR PROJECTS		***1,405,600***	
ADDITIONAL CASH BALANCE OF FUND 4N40 AVAILABLE*			***444,473***

**Funding projects beyond the appropriation balance would require Controlling Board approval.*

FY 2010 Project Balance Summary

Remaining GRF Appropriation for Projects	**1,162,500**
Remaining 4N40 Appropriation for Projects	**1,405,600**
Balance of ORDC Appropriations for Projects	**2,568,100**

PROJECT BRIEFING:
HARDIN RAIL LOGISTICS CENTER
CSX LEAD TRACK UPGRADE LOAN

July 7, 2010

Project Funding		Project Benefits
ORDC Loan up to	**$500,000**	**Completes $5.5 million wind turbine transload** **Improves Service to two other shippers** **Facilitates 25 construction jobs** **Facilitates development of Ohio wind power**

INTRODUCTION: The American Rail Center, part of a family of rail and trucking logistics companies headquartered in Walbridge, Ohio, is requesting a loan of up to $500,000 for the repair of approximately 7,900 ft. of the CSX Alger Industrial lead track in Kenton needed to serve American Rail Center's new Hardin Rail Logistics Center. ORDC Staff has had preliminary discussions on loan terms and is proposing a five year loan with interest being 0% in year one, and 2/3 of prime in years two through five with ORDC retaining a first position on the Hardin Rail Logistics Center site and requiring a rolling Letter of Credit for one year of debt service. ORDC Staff requests that ORDC Commissioners empower the Executive Director to determine the final terms of the loan.

BACKGROUND:

Logistics and Distribution Program Project: American Rail Center has been working for well over a year with the Ohio Department of Development (ODOD) on a proposed project under the ODOD Logistics and Distribution Program to obtain funding for a transportation facility to serve Ohio's nascent wind power industry. (ORDC and Ohio Department of Transportation Staff helped to set up the parameters of the Logistics and Distribution Program and help ODOD evaluate projects for funding.) An American Rail Center – ODOD partnership is working to establish a 40 acre "lay down" facility in Kenton in Hardin County where large components of wind turbines such as the turbines themselves, the blades, and other major components can be transported into Ohio via rail and subsequently delivered to wind farms via trucks. The transloading of wind turbine components requires a substantial amount of land, equipment, and know how. Each wind turbine requires about 8 rail cars to carry all the needed components. If all program requirements are met, ODOD will be providing $3,691,320 in Logistics and Distribution funding for the Kenton facility matched by an American Rail Center investment of $1,245,702 investment.

Hardin County has been identified by ODOD officials as one of the prime targets for wind power development because it lies at the nexus of very good and consistent wind flows and the availability of a variety of major electric power transmission lines and facilities. Currently there are 7 proposed wind farms within 65 miles of the proposed Kenton facility that could generate 1,250 megawatts of power which have presented proposals to the Ohio Power Siting Board for approval. American Rail Center would use 15 of it 40 acre site to handle the transloading of wind turbine components. American Rail Center plans for the rest of the acreage include the development of potential Ohio wind turbine production and maintenance facilities as well as traditional dry and liquid bulk transloading. About 9,000 feet of rail would be included for both the wind turbine and other transloading operations. This includes track needed to connect the Hardin Rail Logistics Center to the end of the CSX Alger Industrial lead track.

The Hardin County Rail Logistics Center was originally proposed for another site in the county along the Chicago, Ft. Wayne and Eastern Railroad. This site was ruled out, however, because local roads lacked the room for the needed truck turning radii. The Kenton site does not have this radius issue although there are some overhead height issues that still need to be worked out before Logistics and Distribution funds will be available.

CSX Lead Track Issues: To access the 40 acre Hardin Rail Logistics Center site by rail, trains must traverse about 7,900 feet of the CSX Alger Industrial lead track that now dead ends just north of the site. A Google map of the area is included as Exhibit "A". This lead track currently serves an International Paper plant (formerly Imperial Cup) and Durez chemical. A CSX review of the lead track for cartage of wind turbine components determined that a 27 degree curve in the track needs to be rebuilt to handle the 6 axle locomotives and the long, specialty cars used to handle wind components. The rebuilding of this curve will require extensive realignment of the track. This major realignment, along with the rehabilitation of the rest of the 7,900 ft. long segment which would add new ties, possibly replace of select rail segments, move components of the active warning devices at the US 68 crossing, and other related track work, will cost up to $500,000 to perform.

American Rail Center is still working out details with CSX on how to proceed with the track work. One possible option is for American Rail to purchase the lead track and lease the underlying real estate so American can contract out for the needed track upgrades and subsequently maintain the track. Another is for CSX to continue to own and maintain the track and to do the needed work with CSX forces. The details of ownership, maintenance, and the scope of track work, will be worked out as soon as possible.

No matter the scenario for getting the track work done, American Rail Center will be responsible for the up-front costs. CSX will, however, provide rebates for traffic carried over the lead track. If the wind turbine traffic develops as expected, the CSX rebates would cover the costs of the up to $500,000 investment within 5 years. CSX has indicated that it will market the Hardin County site as its number one site for wind turbine transloading in Ohio.

American Rail Center did not anticipate that the cost of the CSX lead track rebuilding/rehabilitation would be part of its Hardin Rail Logistics Center facility costs. The ODOD Logistics and Distribution Program will not cover the additional costs. American Rail Center needs to secure financing for the CSX lead track in order to have a viable and complete project and to obtain ODOD Logistics and Distribution Program funds.

PROJECT DESCRIPTION: The rebuilding/rehabilitation of the 7,900 ft. lead track includes: 1) the rebuilding of a curve on a new alignment; 2) possible replacement select rail segments with heavier rail; 3) replacement of worn out ties; 4) adjustments to the current US 68 crossing active warning devices as needed, and 5) other related track rehabilitation work.

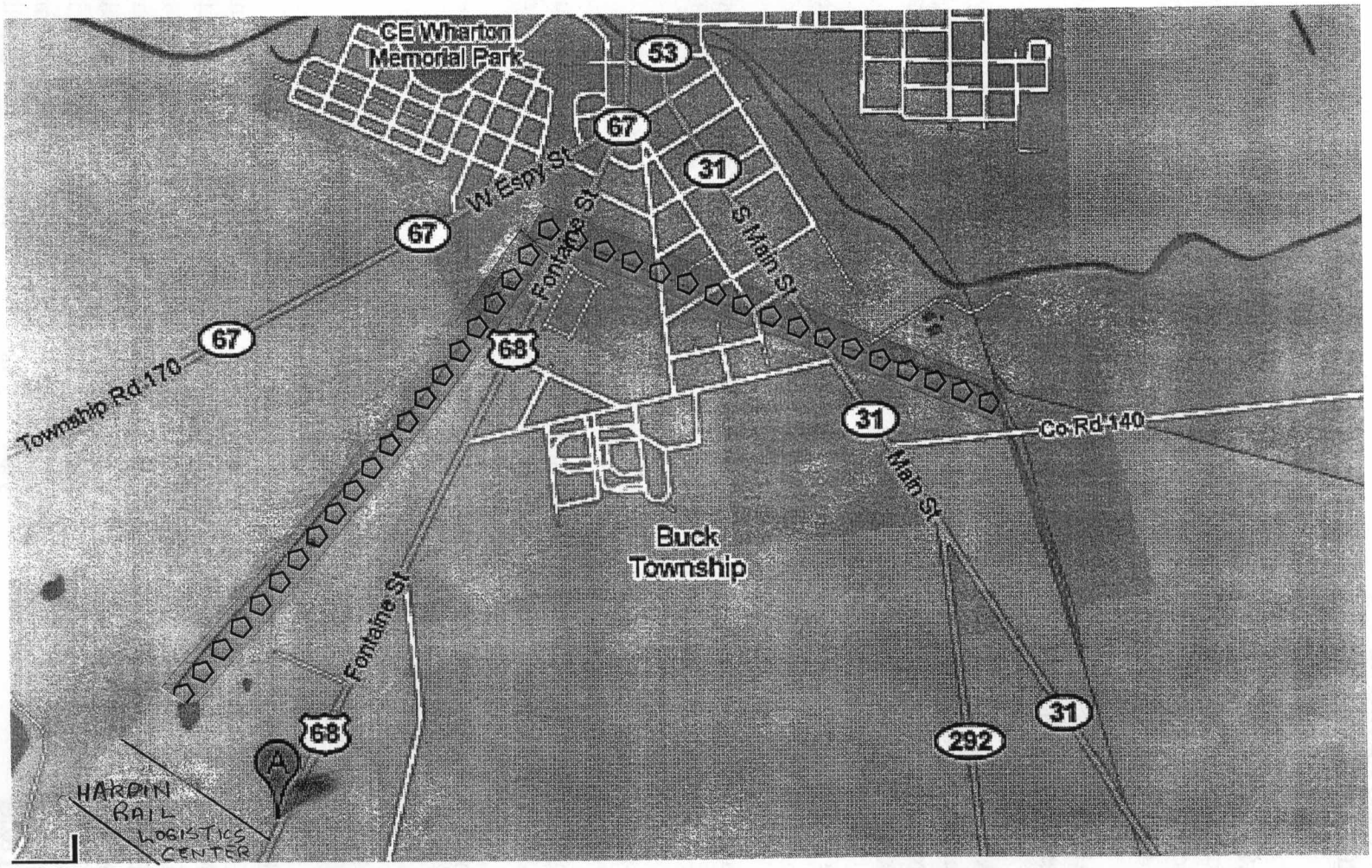
WHY ORDC FUNDING IS NEEDED: Timing is critical for the Hardin Rail Logistics Center. It needs to secure funding for the lead track rebuild/repair in order to obtain ODOD Logistics and Distribution funding and in order for the lead track work to be done in a timely manner. Further, American Rail Center needs to proceed with the construction of the logistics center in a timely manner to capture expected wind turbine business. The target for getting the Hardin Rail Logistics Center opened for business is this winter.

PROJECT BENEFITS:

- Completes funding for $5.5 million wind turbine logistics center.
- Facilitates 25 construction jobs.
- Helps facilitate development of Ohio wind power industry including the development of wind farms and the development of Ohio wind turbine production.
- Improves Service to two other shippers.

STAFF RECOMMENDATION/SPECIAL CONTINGENCIES: Staff recommends that Commissioners approve the proposed loan funding and empower the Executive Director to set final terms of the loan.

CSX KENTON LEAD TRACK



CSX LEAD ○○○○○○○○○○

"A"

RESOLUTION 10-07

RE: AMERICAN RAIL CENTER HARDIN RAIL LOGISTICS CENTER LEAD TRACK REHABILITATION PROJECT LOAN

A RESOLUTION DETERMINING THE APPROPRIATENESS OF ASSISTANCE PROPOSED TO BE PROVIDED TO THE AMERICAN RAIL CENTER UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration the provision of assistance under the Act to American Rail Center (the "Company"); and

WHEREAS, the ORDC staff has submitted to this ORDC a Request for Assistance submitted by the Company; the determination of the Executive Director of the ORDC and the facts upon which such determination is based, that the proposed assistance will conform to the requirements of the Act and the terms of the proposed assistance; and

WHEREAS, the ORDC has reviewed such submissions and discussed them with the Executive Director and staff of the ORDC the proposed assistance; and

WHEREAS, on the basis of such review and discussions, the ORDC has determined that the provision of assistance to the Company, as set forth in the ORDC staff's submissions, is appropriate.

NOW, THEREFORE, BE IT RESOLVED by the ORDC of the State of Ohio:

Section 1. That the ORDC determines that the assistance proposed to be provided under the Act to assist the Company with the Rail Service Project (as defined below) is appropriate.

Section 2. That the ORDC approves the proposed assistance to the Company, the nature, amount and terms of which are summarized in Exhibit "A" attached hereto.

Moved By
Seconded By

Upon roll call, the vote resulted as follows:

James G. Bradley, Chairman	____ yes	____ no	____ absent	____ abstained	____ recused
Thomas McOwen	____ yes	____ no	____ absent	____ abstained	____ recused
Jolene M. Molitoris	____ yes	____ no	____ absent	____ abstained	____ recused
Barbara Hammontree Bennett	____ yes	____ no	____ absent	____ abstained	____ recused
Robert Greenlese	____ yes	____ no	____ absent	____ abstained	____ recused
_____for Lisa Patt-McDaniel	____ yes	____ no	____ absent	____ abstained	____ recused
Solomon Jackson	____ yes	____ no	____ absent	____ abstained	____ recused
William Lozier	____ yes	____ no	____ absent	____ abstained	____ recused
Larry Sowers	____ yes	____ no	____ absent	____ abstained	____ recused
Herk Wolfe	____ yes	____ no	____ absent	____ abstained	____ recused

ORDC ACTION: Motion approved Other action
Motion denied Date 7/15/2010

CERTIFICATE

I, the undersigned Chair of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 7/15/2010
James G. Bradley, Chair Date

EXHIBIT A

A loan to the Company pursuant to Section 4981.032 of the Ohio Revised Code in the amount up to Five Hundred Thousand Dollars ($500,000) (the "ORDC Loan") to rehabilitate approximately 7,900 ft. of the CSX Alger Industrial lead track to serve American Rail Center's new Hardin Rail Logistics Center as follows: 1) the rebuilding of a curve on a new alignment; 2) possible replacement of select rail segments with heavier rail; 3) replacement of worn out ties; 4) adjustments to the current US 68 crossing active warning devices as needed, and 5) other related track rehabilitation work, in the City of Kenton in Hardin County ("Rail Service Project"). The terms of the ORDC Loan shall be determined by the Executive Director of ORDC.

The ORDC Loan is subject to the following conditions:

1. The Company must meet all standard ORDC program requirements, including any applicable prevailing wage provisions, in expending the ORDC Grant and ORDC Loan.

2 The Company shall execute and obtain such documents as are deemed necessary by the ORDC to evidence, close and secure the ORDC Loan.

PROJECT BRIEFING:
MAUMEE & WESTERN RAILROAD
Rebuilding MP 38 to 39

July 7, 2010

Project Costs		Project Benefits
* ORDC Grant Up To	$227,500	* Repair of Track that Handles 58% of Traffic
* MAW Investment & In Kind	$227,500	* $54,000/yr. Savings in Derailments, Crew Cost, & Per Diem.
		* Helps Keep 12,000 Truckloads on Rail

INTRODUCTION: The Maumee & Western Railroad requests up to $227,500 in order to rebuild its railroad between MP 38 and MP 39 at an estimated cost of $434,180. The project would replace worn rail with heavier relay rail. The old rail taken up between MP 38 and MP 39 (an estimated value of $20,800) would be donated to a project to build a new spur to serve Campbell's for inbound coal via a transloading operation, or for maintenance of other portions of the MAW line.

BACKGROUND

Overview of MAW Line: The MAW serves approximately 53 miles of rail lines between Woodburn, Indiana and Liberty Center Ohio. Of these 53 miles, approximately 50 are in Ohio. The map included as Exhibit "A" shows the MAW system and connections. MAW interchanges with Norfolk Southern at Woodburn and with CSX at Defiance. The line between MP 63.2 east of Cecil and MP 55 near Defiance, however, is out of service so that rail users east of Defiance do not have direct access to NS interchange and shippers west of Cecil do not have direct access to CSX interchange. The recent reinstallation of double diamond crossings at Defiance by CSX will facilitate the connection of the two MAW service islands but investment in the line from MP 63.2 to MP 55 will still be needed.

The MAW acquired the line in December, 1997 from the Norfolk & Western Railroad as a result of the bankruptcy proceedings for the Indiana Hi-Rail Railroad which had been leasing the line at the time of its bankruptcy. The acquisition took place with the help of a $1.2 million loan from the ORDC. This loan has been fully repaid. The MAW inherited deferred maintenance problems along with the problems of operating heavy freight mostly on light, 80 lb. rail, and operating on sections of track in an area formerly called the Black Swamp. The out of service portion of the line is largely located in the Black Swamp area.

The MAW is strategically located along US 24 on the "Fort to Port" highway which connects Fort Wayne with Toledo. The Ohio Department of Transportation is in the process of making the Ohio portion of US 24 a four-lane highway but is many years away from completing the project. There are many industrial development sites along the MAW served on one side by US 24 and on the other by the MAW. In addition, the MAW serves two large industrial parks at Napoleon, two large industrial parks in Defiance, and smaller industrial parks in Antwerp and Woodburn, Indiana just over the Ohio border.

The MAW line has been generating an average of 2,411 carloads of traffic a year for the three years of 2007 through 2009. This traffic level reflects a downturn from two years ago when the average traffic on the MAW was 3,269 carloads a year for the 2005 to 2007 time period. There are 24 customers served by the MAW, 18 of which have been active rail user in the last three years. Major customers include Antwerp Equity, Johns

Manville, Cloverleaf, Interstate Cold Storage, and Jewell Grain. MAW rail users are primarily in the agricultural industry (outbound grain & inbound fertilizer), the food processing and warehousing businesses (various food products), and the manufacturing industry (various steel, plastic, cement, chemical, and building products). While the MAW does not directly serve Campbell's large Napoleon operations, MAW does transload for Campbell's and the MAW's warehousing customers (Cloverleaf and Interstate) use the MAW rail service to do extensive business with Campbell's via transloading operations.

Poor track condition is preventing the MAW from adequately taking advantage of the economic development opportunities along the line. It is a "chicken or egg" situation wherein more rail carload business is needed to raise the money needed to rehabilitate the track, but good track is needed to effectively increase service so that more carloads can be generated.

Not surprisingly, the MAW's bottom line has suffered because poor track increases operating costs. On average, the line has not been profitable in the last three years due to the general recession though most recent results show improvement and profitability. The MAW continues to invest in track maintenance at a rate of about $7,521 per mile operated annually.

Recent ORDC Projects, I: In March, 2004, ORDC approved a $168,405 grant matched by a MAW investment of $45,054 to repair several portions of the MAW line. Track work has been completed at the following locations: Okolona (MP 40) to Jewell (MP 47); at Defiance (MP 47 to MP 50); near Cecil (MP 67 to MP 69); near Antwerp (MP 74 to MP 76); and at Napoleon (MP 33.6)

Recent ORDC Projects, II: The line from just east of Napoleon (MP34) to Liberty Center (MP 28) had been out of service but the MAW put it back in service with the help of a $206,000 loan ORDC approved in March, 2004. MAW is in good standing on repayment of that loan which will be fully repaid by 2012.

Recent ORDC Project, III: The Phase I ORDC project hit several of the worst parts of the MAW track between Defiance (MP 51) and the outskirts of Napoleon (MP 34). The Phase III project in 2005 augmented and complimented the Phase I work by installing 2,215 ties between MP 51 and MP 34 and 845 ties between MP 64 at Cecil and MP 75.6 at the Indiana State Line. ORDC provided a $120,000 grant for this work.

Recent ORDC Project, IV: In March, 2008, ORDC approved a $150,000 grant to pay 50% of the costs to upgrade select tracks in the MAW's main yard in Defiance to improve its overall usefulness, including the start of a small transloading operation to serve two customers, Campbell and Arps Dairy, and to serve a major customer, Johns Manville, which is located right next to the Defiance Yard and needs to be able to use heavier cars. This March, 2008 grant, also went toward the repair of a MP 42 to MP 43, a very key segment on the MAW line between Defiance (MP 51), where MAW and CSX interchange, and Napoleon (MP 36) where there are several significant rail users.

Recent ORDC Project, V: In September, 2008, ORDC approved a $150,000 grant to repair track between MP 45.5 to 46.65, and to repair drainage at MP 49.7 to MP 49.95 two other segments of track between the CSX interchange in Defiance and the rail users in Napoleon and Liberty Center.

Current Situation: With the current economic recession curtailing industrial activity, the MAW bottom line has suffered making it more difficult to generate capital for track improvements. With the overwhelming preponderance of MAW traffic, about 82%, depending on the 15 mile long Defiance to Napoleon segment of the railroad, and 58% of the MAW business traveling over the MP 38 to MP 39 segment, the maintenance of safe, effective operations on this portion of the railroad is critical. The MAW estimates that about 16% of its

annual derailment expenses, or about $30,220 worth of annual derailment remediation, occurs on the MP 38 to MP 39 segment of the track.

The MAW is working with Campbell's and local officials to establish a new business, a coal transloading operation in Napoleon. The project that is the subject to this briefing does not include the transload project but any fit rail from the MP 38 to MP 39 rebuilding project may be used for the transload. If the coal transload project can be implemented, the MAW would generate up to 500 new carloads of business.

PROJECT DESCRIPTION: The project consists of the following:

PROPOSED WORK ON MP. 38 TO MP 39 TRACK

Work Item	*Unit Cost*	*Total Cost*
Furnish 5,000 Track Ft. 105 &110 lb. Rail	$635.00/ton	$116,415
Furnish 256 Joint Bar Sets	$18.65/set	$4,774
Furnish Tie Plates	$5.08/ea	$28,346
Furnish 4 Sets, Compromise Bars	$675.00/set	$2,700
Install Rail	$42.00/ft.	$210,000
Furnish 1,058 Relay Ties, 7" X 9"	$20.18/ea	$21,350
Furnish 4,338 New Spikes	$.57/ea	$2,455
Install 1,058 Ties	$45.50/ea	$48,140
TOTAL		**$434,180**

The MAW may itself perform some work tasks such as distribution of materials, contracting out for the rest of the work, or it may contract out for all work on the project. MAW will be responsible for continued maintenance. The rail and other track material taken up by the MAW, valued at $20,800, is not a part of the MP 38 to MP 39 project but is being accepted as a matching contribution for purposes of determining total railroad and total ORDC contributions. But rather than selling the rail and material for cash, ORDC will require the MAW to use fit materials on the proposed Campbell transload, or at other locations on the MAW line.

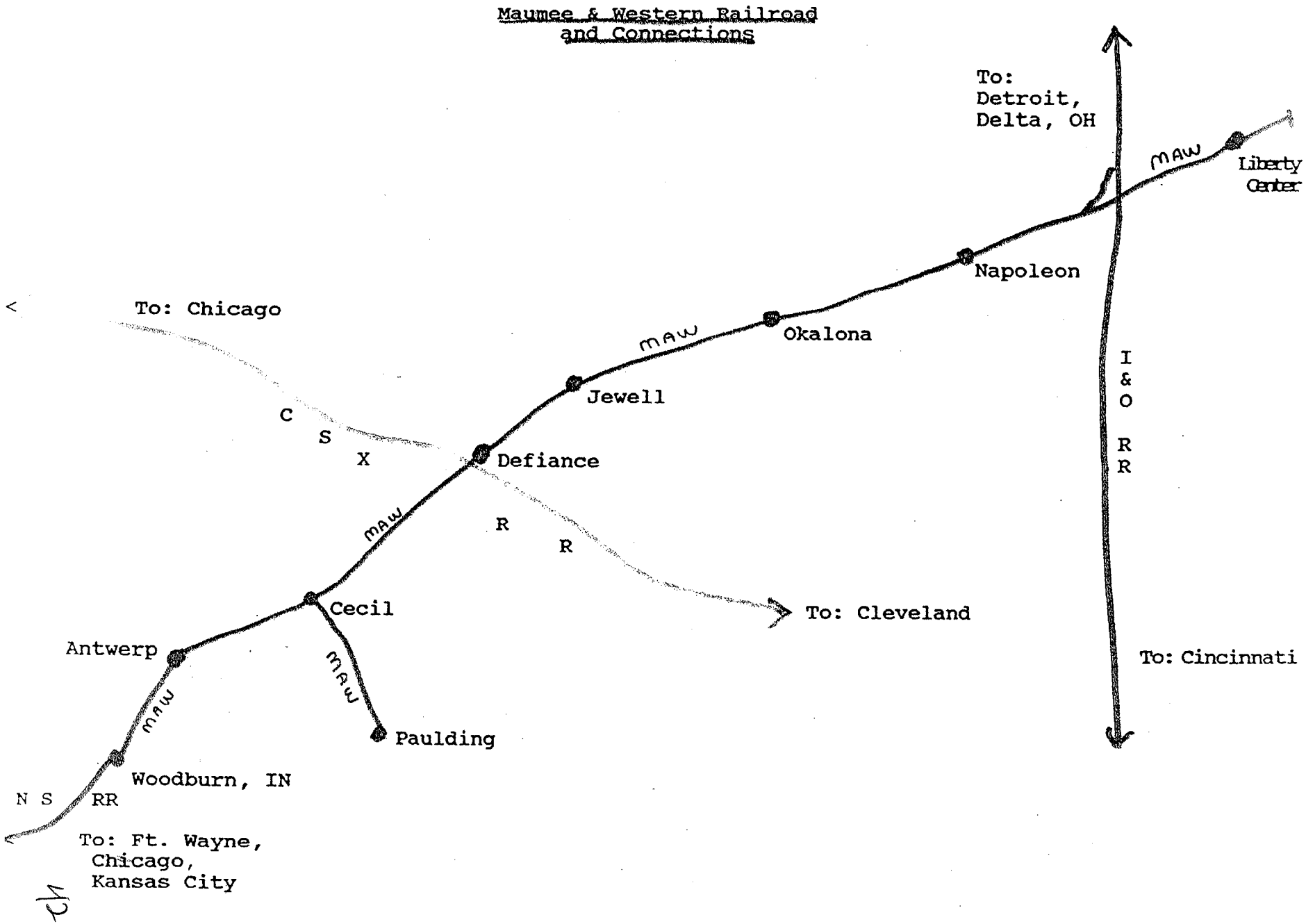
WHY ORDC FUNDING IS NEEDED: The MAW does not yet generate sufficient net revenue to have the funds needed to handle all of the deferred maintenance issues on the line.

PROJECT BENEFITS:

- Repairs major derailment area.
- Reduces derailment costs, reduces delays resulting in reduced crew costs, reduced per diem for shipper whose cars are delayed by derailments, and other efficiencies which add up to about $54,000 per year.
- Reduces trucking by about 12,000 vehicles/yr. on highways resulting in highway maintenance savings.

STAFF RECOMMENDATION: ORDC Staff recommends that Commissioners approve funding up to $227,500, or 52% of project costs for the rebuilding of MP 38 to MP 39.

w: MAWMP38to39Rebuild


Maumee & Western Railroad
and Connections
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Delta, OH
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Napoleon
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Paulding
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Woodburn, IN
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To: Ft. Wayne,
Chicago,
Kansas City

RESOLUTION 10-08
RE: MAUMEE & WESTERN RAILROAD REHABILITATION PROJECT GRANT

A RESOLUTION DETERMINING THE APPROPRIATENESS OF ASSISTANCE PROPOSED TO BE PROVIDED TO THE MAUMEE & WESTERN RAILROAD UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration the provision of assistance under the Act to the Maumee & Western Railroad (the "Company"); and

WHEREAS, the ORDC staff has submitted to this ORDC a Request for Assistance submitted by the Company; the determination of the Executive Director of the ORDC and the facts upon which such determination is based, that the proposed assistance will conform to the requirements of the Act and the terms of the proposed assistance; and

WHEREAS, the ORDC has reviewed such submissions and discussed them with the Executive Director and staff of the ORDC the proposed assistance; and

WHEREAS, on the basis of such review and discussions, the ORDC has determined that the provision of assistance to the Company, as set forth in the ORDC staff's submissions, is appropriate.

NOW, THEREFORE, BE IT RESOLVED by the ORDC of the State of Ohio:

Section 1. That the ORDC determines that the assistance proposed to be provided under the Act to assist the Company with the Rail Service Project (as defined below) is appropriate.

Section 2. That the ORDC approves the proposed assistance to the Company, the nature, amount and terms of which are summarized in Exhibit "A" attached hereto.

Moved By
Seconded By

Upon roll call, the vote resulted as follows:

James G. Bradley, Chairman	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Thomas McOwen	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Jolene M. Molitoris	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Barbara Hammontree Bennett	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Robert Greenlese	____	yes	_____	no	_____	absent	_____	abstained	____ recused
_____ for Lisa Patt-McDaniel	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Solomon Jackson	____	yes	_____	no	_____	absent	_____	abstained	____ recused
William Lozier	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Larry Sowers	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Herk Wolfe	____	yes	_____	no	_____	absent	_____	abstained	____ recused

ORDC ACTION: Motion approved Other action
Motion denied Date 7/15/2010

CERTIFICATE

I, the undersigned Chair of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 7/15/2010
James G. Bradley, Chair Date

EXHIBIT A

A grant to the Company pursuant to Section 4981.032 of the Ohio Revised Code in the amount up to Two Hundred Twenty Seven Thousand Five Hundred Dollars ($227,500) (the "ORDC Grant") to rehabilitate the Company's track between MP 38 and MP 39 located in Henry County ("Rail Service Project"). The terms of the ORDC Grant shall be determined by the Executive Director of ORDC.

The ORDC Grant is subject to the following condition:

The Company must meet all standard ORDC program requirements, including any applicable prevailing wage provisions, in expending the ORDC Grant.